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INTERSTATE COMMERCE COMMISSION

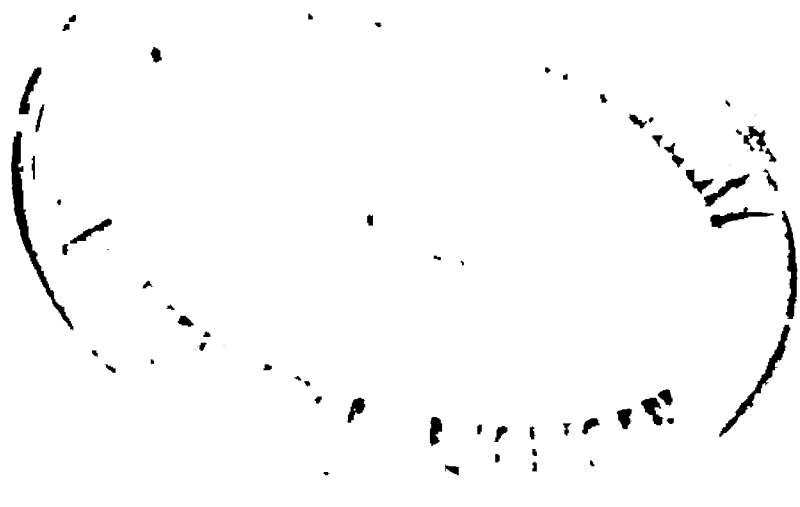
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INTERSTATE COMMERCE COMMISSION.

JAMES S. HARLAN, OF ILLINOIS, Chairman.

JUDSON C. CLEMENTS, OF GEORGIA.

EDGAR E. CLARK, OF IOWA.

CHARLES C. McCHORD, OF KENTUCKY.

BALTHASAR H. MEYER, OF WISCONSIN.

HENRY C. HALL, OF COLORADO.

WINTHROP M. DANIELS, OF NEW JERSEY.

GEORGE B. MCGINTY, *Secretary*.

March 17, 1914, Commissioner Clark's term as chairman expired; on that date Commissioner Harlan became chairman.

January 31, 1914, Henry C. Hall was appointed Commissioner and was confirmed March 9, 1914.

January 31, 1914, Winthrop M. Daniels was appointed Commissioner and was confirmed April 3, 1914.

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INTERSTATE COMMERCE COMMISSION REPORTS.

No. 5416.

CURRY & WHYTE COMPANY ET AL.

v.

DULUTH & IRON RANGE RAILROAD COMPANY ET AL.

No. 5416 (Sub-No. 1).

WAHLSTEIN & SONS

v.

DULUTH & IRON RANGE RAILROAD COMPANY ET AL.

Submitted October 8, 1913. Decided March 16, 1914.

1. Rates on pulpwood in carloads from points in Minnesota to Duluth applied as parts of the rates for through transportation to points in Wisconsin and Michigan, not found unreasonable. Saw-log rates to Duluth held in this instance not to afford a fair test of the reasonableness of the pulpwood rates.
2. The exaction of a higher charge for the transportation of pulpwood in carloads from Duluth, Minn., to destinations in Wisconsin and Michigan than that contemporaneously exacted for similar transportation from Superior, Wis., and the application of Superior rates from Duluth on other traffic to the same destinations held to subject pulpwood traffic and the shippers thereof to undue prejudice and disadvantage.
3. The view expressed in *Pulp & Paper Mfrs. Traffic Asso. v. C., M. & St. P. Ry. Co.*, 27 I. C. C., 83, that the nature of pulpwood operations renders a distance-scale adjustment to the gateways desirable, adhered to.
4. Following *Anadarko Cotton Oil Co. v. A., T. & S. F. Ry. Co.*, 20 I. C. C., 43, and *P. R. R. Co. v. International Coal Mining Co.*, 230 U. S., 184, reparation denied.

Watson & Abernethy for complainants.

Paul H. Welch for Duluth & Iron Range Railroad Company, and Duluth, Missabe & Northern Railway Company.

W. D. Burr for Chicago, St. Paul, Minneapolis & Omaha Railway Company.

A. F. Cleveland for Chicago & North Western Railway Company.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

A. H. Lossow for Minneapolis, St. Paul & Sault Ste. Marie Railway Company.

H. E. Still for Northern Pacific Railway Company.

REPORT OF THE COMMISSION.

CLARK, *Chairman*:

These complaints bring in issue carload rates on pulpwood or pulpwood logs from points in Minnesota to points in Wisconsin and Michigan.

Complainants are corporations, partnerships, and individuals engaged in producing, buying, selling, and shipping forest products, including pulpwood or pulpwood logs. The rates involved are those applicable from stations in Minnesota on the Duluth & Iron Range Railroad; Duluth, Missabe & Northern Railway; Duluth, Rainy Lake & Winnipeg Railway (now Duluth, Winnipeg & Pacific Railway); and Duluth & Northern Minnesota Railway, as originating lines, to the following pulp and paper mill points in Wisconsin and Michigan: Appleton, Biron, Brokaw, Combined Locks, De Pere, Eau Claire, Fond du Lac, Grand Rapids, Green Bay, Kaukauna, Kimberly, Ladysmith, Little Chute, Little Rapids, Marinette, Menasha, Merrill, Neenah, Nekoosa, Oconto Falls, Oshkosh, Park Falls, Port Edwards, Rhinelander, Shawano, Stevens Point, Tomahawk, Wisconsin Dam, Wausau, Wis., and Menominee and Quinnesec, Mich. These rates which are combination rates, based on either Duluth, Minn., or Superior, Wis., are alleged to be unjust, unreasonable, and discriminatory, and to subject complainants to undue and unreasonable prejudice and disadvantage. The establishment of joint through rates is asked for, such rates to be constructed by adding to the saw-log rates of the initial lines up to Duluth, the Superior to destination rates on pulpwood applied from Duluth. It is expressly stated that the sole complaint against the delivering carriers and their rates from Duluth to the destinations is that said rates exceed the rates contemporaneously charged from Superior.

This same situation was dealt with in *Pulp & Paper Mfrs. Traffic Asso. v. C., M. & St. P. Ry. Co.*, 27 I. C. C., 83, hereinafter designated the *Pulpwood case*, in which, responsive to a prayer for the establishment of joint rates, it was held that reasonable rates to the gateways of Minnesota Transfer, Bald Eagle, and Duluth, Minn., and Superior and Ashland, Wis., would serve complainants' needs, and a maximum scale of distance rates was prescribed to apply to such gateways or to junctions of the originating carriers with connections en route to the gateways. Neither complainants nor defendants here are interested in the routes via Minnesota Transfer or Bald Eagle, the natural route for all pulpwood from off the lines of the Minnesota defendants being via Duluth and Superior.

Defendants object to the introduction of any evidence in the instant cases, on the ground of previous determination of the issues in the *Pulpwood case*. They suggest that rates can never be stable,

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and that endless litigation with respect to the same situation must result, if the same or different parties are to be heard in repeated attacks of this nature. The Commission, however, is not bound by any rule of *stare decisis*, its conclusions are not *res judicata*, and it is not precluded from again considering a matter once examined and decided if a new and different set of facts is brought to its attention. Questions of reasonableness and discrimination are always questions of fact, and each case must stand or fall on the record made in that case. In the former case it was sought to have the Wisconsin distance scale of pulpwood rates applied to the hauls of the several carriers in Minnesota as parts of joint interstate rates, and comparisons were made with the carriers' rates on logs, lumber, and other forest products. In addition, the switching charge of the Northern Pacific Railway between Duluth and Superior of 1½ cents per 100 pounds was assailed as unreasonable. The instant cases are presented along different lines. Here we are asked to reduce the Minnesota pulpwood rates to the level of the saw-log rates in effect from producing points to Duluth; unjust discrimination is alleged in that, contrary to the general rule as to other traffic, pulpwood or pulpwood logs are denied the benefit of Superior rates from Duluth to Wisconsin and Michigan destinations; it is sought to show that distance proportional rates from the producing points to the gateways will not meet the needs of complainants, and reparation is prayed for, it being alleged that as these complainants paid the freight charges, the complainants in the previous case were not entitled to and consequently did not seek an award of damages.

Prior to August 1, 1913, Minnesota carriers here defendant maintained in Minnesota rates on pulpwood destined to Wisconsin and Michigan, as shown in our report in the *Pulpwood case*. Effective on the date mentioned, these lines established for their hauls in Minnesota the maximum distance scale prescribed in the *Pulpwood case* and now maintain this scale to Duluth to apply proportionally on interstate shipments. The previous rates were not withdrawn when the Commission's scale was put in force, but were continued in effect as local intrastate rates. Rates are stated herein in cents per 100 pounds. In February, 1914, the Duluth & Iron Range Railroad; Duluth, Missabe & Northern Railway; and Duluth, Winnipeg & Pacific Railway (formerly the Duluth, Rainy Lake & Winnipeg Railway) made effective a new uniform scale on local intrastate shipments of pulpwood which, except as to a few of the distances, is somewhat higher than the proportional scale. At the same time the Duluth & Iron Range and Duluth, Missabe & Northern established a scale on logs beginning with 1 cent for 5 miles and graded up to 2.9 cents for 95 miles and 3.3 cents for 120 miles. The Duluth, Winnipeg &

Pacific also established a new log scale lower than that of the other two lines which, beginning with 1 cent for 5 miles, grades up to 1.95 cents for 95 miles. The Duluth & Iron Range previously maintained specific commodity rates on logs beginning with 1.4 cents from French River, a distance of 12.9 miles, and scaled up to 3.3 cents from Ely, a distance of 116.5 miles. These rates, which were not filed with this Commission, are the rates complainants seek to have applied to pulpwood. The Duluth, Missabe & Northern previously maintained two distance scales on logs, one applicable to pine logs, beginning with 1.14 cents for 5 miles, graded up to 2.5 cents for 115 miles, and the other applicable to logs other than pine, beginning with 1.55 cents for 5 miles, graded up to 2.9 cents for 115 miles. These scales were filed with this Commission, and complainants use as their basis for the proposed rates on pulpwood the pine-log scale.

The Duluth, Rainy Lake & Winnipeg previously maintained specific commodity rates on pulpwood scaled according to distance of from 5 cents for 80 miles to 7 cents for 130 miles. These rates were applicable to Duluth in connection with either the Duluth, Winnipeg & Pacific or the Duluth, Missabe & Northern. On January 1, 1913, the Duluth, Winnipeg & Pacific absorbed the Duluth, Rainy Lake & Winnipeg, and by tariffs effective September 1, 1913, withdrew most of the commodity rates applicable via the Duluth, Missabe & Northern, leaving in effect only the rates via the Duluth, Winnipeg & Pacific route. Since February 3, 1914, all rates to Duluth from stations on the old Duluth, Rainy Lake & Winnipeg line have applied solely via the Duluth, Winnipeg & Pacific; hence the proportional scale prescribed by us and the new higher local intrastate scale are applied as for a single line, producing lower charges than for the previous two-line hauls. The log rates proposed by complainants to apply on pulpwood in so far as the Duluth, Winnipeg & Pacific is concerned, are pine-log rates made in combination with the Duluth, Missabe & Northern, which range from 3 cents for 80 miles to 3.5 cents for 130 miles. The scale prescribed in the *Pulpwood case* would produce for the same distances rates of from 3.24 to 4.04 cents.

With the exception of the proportional pulpwood scale prescribed by this Commission, no tariffs or rates have been filed with the Commission by or on behalf of the Duluth & Northern Minnesota Railway. The pulpwood rates applied previous to August 1, 1913, appear to have been distance rates to Knife River, ranging from 2.5 cents for 5 miles to 4.7 cents for 70 miles. If prior to August 1, 1913, such rates, or any others, were applied to through interstate shipments which were not actually surrendered to consignees and re-shipped at Knife River or Duluth, this carrier obviously engaged in

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interstate transportation without the filing of tariffs. No rates on logs have ever been filed with this Commission by the Duluth & Northern Minnesota. The log rates presented by complainants as the basis upon which the pulpwood rates should be fixed appear to be through commodity rates to Duluth published by the Duluth & Northern Minnesota to apply in connection with the Duluth & Iron Range, which are scaled from 2.74 cents from Stanley, the nearest station, to 4.06 cents from Cramer, the most distant station shown.

While insisting that pulpwood logs, viewed from a transportation standpoint, are no different from any other logs, and laying special emphasis upon the relation between the carriers' rates on saw logs and on pulpwood logs, complainants also submit evidence tending to show the unreasonableness *per se* of the latter, and this must be considered. The exhibits filed include:

(1) Comparisons of the Minnesota carriers' rates and per-ton-mile earnings to Duluth on pulpwood, soft-wood logs, hard-wood logs, and mine timbers, and pulpwood rates in Wisconsin for the same distances.

(2) Comparisons of average per car charges on pulpwood and on a wide variety of other articles between stations on defendants' lines and Duluth, using what purport to be average loads for each commodity.

These show as follows:

	Duluth & Iron Range R. R.	Duluth, Missabe & Northern Ry.	Duluth & Northern Minnesota Ry.
Average per car revenue all commodities except pulpwood.....	\$17.56	\$16.61	\$28.84
Average per car revenue pulpwood.....	17.42	16.47	33.26
Average per car-mile revenue all commodities except pulpwood...	.27	.30	.60
Average per car-mile revenue pulpwood.....	.27	.30	.60

(3) Comparison of pay load to total load on a number of selected commodities indicating as to pulpwood that the average pay load is 68 per cent of the total load, while as to other commodities there is a variation of from 36 to 42 per cent.

The exhibits are predicated entirely upon the old local pulpwood scales and not upon the somewhat lower proportional scale fixed by the Commission, hence do not accurately portray the conditions now existing. As to the old conditions, the comparisons present no forceful reasons for the adoption of any other or different rates than those found reasonable by us, and are not convincing that these rates when applied as portions of the through charges for interstate movements are not, independently of the saw-log rates, entirely reasonable.

In addition, our attention is directed to statistics of performances in the state of Minnesota, taken from the annual reports of the carriers to the Railroad and Warehouse Commission of Minnesota for the fiscal year ended June 30, 1911, some of which are given in the table following.

	Duluth & Iron Range R. R.	Duluth, Missabe & Northern Ry.	Duluth & Northern Minnesota Ry.	Duluth, Rainy Lake & Winnipeg Ry.
Total operating expenses (total traffic) per train-mile...	\$2.50	\$2.96	\$1.39	\$1.56
Average distance haul of 1 ton, miles	65	74	47	45
Average number of tons of freight per train-mile.....	634	969	213	237
Average number of loaded cars per train-mile.....	16.19	22.59	7.65	12.56
Average number of tons of freight per loaded car-mile...	39	43	28	23
Average freight revenue per train-mile.....	\$6.85	\$9.19	\$1.50	\$2.24
Average freight revenue per ton-mile.....	\$0.0107	\$0.0094	\$0.0071	\$0.0086
Ratio of transportation expenses to total operating ex- penses, per cent.....	47	40	37	49
From which complainants make the following com- pilations:				
Transportation expenses per loaded car-mile.....	\$0.073	\$0.042	\$0.067	\$0.063
Total operating expenses per loaded car-mile.....	\$0.155	\$0.131	\$0.182	\$0.129
Average freight revenue per loaded car-mile.....	\$0.423	\$0.406	\$0.196	\$0.181
Average revenue per car mile on pulpwood logs to Duluth.....	\$0.26	\$0.27	\$0.69	\$0.29

It is also shown that for the years 1908 to 1912, inclusive, the Duluth, Missabe & Northern and Duluth & Iron Range paid average dividends on their stock of 144 per cent and 118 per cent, respectively, and figures are submitted to show that for the fiscal years 1909 to 1912, inclusive, the corporate income of the Duluth & Northern Minnesota was \$132,679, or \$34,070 per year, an amount which applied to this road's stock issued and sold of \$200,000 would make available for dividends about 17 per cent per year.

Again it is stated that for the year ended June 30, 1912, forest products other than lumber constituted 10.4 per cent, 2 per cent, and 99 per cent, respectively, of the tonnage of the Duluth & Iron Range, Duluth, Missabe & Northern, and Duluth & Northern Minnesota.

Taken as a whole, the comparisons and figures thus submitted may be accepted as indicating some justification for a reduction below the old scales of pulpwood rates; but we find in them no persuasive argument that the present proportional scale is too high. Certainly the large earnings of the Duluth, Missabe & Northern and the Duluth & Iron Range did not come from the traffic here considered. Large revenues from other traffic afford no reason for prescribing less than reasonable rates on pulpwood.

One reason advanced by complainants for readjusting the Minnesota factors of the through rates is the statement that the proportional scale prescribed by the Commission resulted, except for a few of the shorter distances, in higher figures than those formerly obtaining. An analysis shows that the longest haul of the Duluth & Iron Range to Duluth is 120.1 miles from Winton. As to this road the Commission's scale is less for distances up to 35 miles by from 0.5 cent to 0.02 cent. For distances over 35 miles to 120 miles it exceeds the old scale by from 0.01 cent to 0.27 cent. The Duluth, Missabe & Northern's longest distance to Duluth is that from Coleraine, 88.3

miles. As to this road the Commission's scale exceeds the old scale for substantially all distances upward of 10 miles by from 0.2 cent to 0.4 cent. The Duluth & Northern Minnesota extends from Echo Lake southwardly to Knife River, where it connects with the Duluth & Iron Range, a distance of 66.4 miles. The Commission's scale for distances between points on this line is from 1 cent to 1.62 cents less than the rates formerly applicable. In transportation to Duluth there must be added 19.4 miles for the haul of the Duluth & Iron Range from Knife River, and the old scale of the Duluth & Iron Range for this distance was 2.21 cents, while the Commission's scale is 2.1 cents. The old Duluth, Rainy Lake & Winnipeg extended substantially from Ranier to Virginia, 94 miles, and the distance from Virginia to Duluth via the Duluth, Winnipeg & Pacific is 78 miles, a total of 172 miles. The old scale governing the total distance was from 1.5 to 7 cents. The Commission's scale is from 1.5 to 4.70 cents, and is less for distances 85 miles and over by from 0.68 to 2.30 cents.

In the previous case we found wide variations in the charges for substantially the same service. We prescribed a uniform scale of charges which, on the whole, was a substantial reduction.

As in the former case, the principal testimony for the defendants with respect to the conduct of pulpwood versus saw-log traffic was presented by the Duluth & Iron Range Railroad, and this testimony was adopted by the Duluth, Missabe & Northern Railway. The conditions on that road are the same except that, due to the fact that more of its timber has already been cut, there is less density of traffic.

Logs for pulpwood, lumber, ties, poles, and piling are cut from the same tracts, although spruce, principally used in the manufacture of pulp, is found in greater quantity on low, swampy ground. Ordinarily the operator in clearing a tract cuts everything marketable and selects for the pulpwood trade, as required by specifications, sound green timber of 4-inch or greater diameter at the smaller end and from 4 to 16 feet in length. Everything else on the ground with tops 5 inches or more in diameter, including crooked, dead, burnt, or otherwise defective stock, is end-squared for saw logs, and naturally less waste material is transported in connection with pulpwood. In either case the product for shipment consists of rough logs divested of limbs and cut in lengths of from 4 to 16 feet and upward. The hauling to loading points is usually done in the winter by the use of snow or ice roads, the longer logs being skidded or handled mechanically, and the shorter ones handled by men. The loading of both pulpwood and saw logs is usually done from the same spur tracks and at the same loading points. Necessarily, spruce logs of the specified dimensions and quality constitute the

smaller portion of the cutting, hence pulpwood shipping from a tract frequently ceases long before the shipping of the other products. To this extent at least pulpwood stations are less permanent. Saw logs move continuously throughout the year, the heavier movement being ordinarily during the winter months. The pulpwood-log movement is also continuous, but as to the carriers here involved is much heavier during the months of January, February, and March.

Both saw logs and pulpwood logs are loaded and unloaded by the shipper and at his expense. For the former, special log cars equipped with stakes, chains, etc., are furnished by the carrier. For pulpwood almost any cars are used, including box, stock, gondola, and flat cars; and where gondolas or flats require staking or wiring, this is done at the expense of the shipper. Occasionally pulpwood moves in solid trains, and there are movements of single cars, or a few cars of saw logs; but as to these Minnesota roads the pulpwood movement consists in the main of one or a few cars hauled in local trains, while saw logs are frequently handled in trainloads.

The saw-log traffic is of greater density than the pulpwood traffic, it being shown that for the months of January, February, and March, 1911, 1912, and 1913, equalizing the difference in carrying capacity of log cars and those in which pulpwood is transported, the Duluth & Iron Range Railroad handled approximately 35,722 cars of logs and 4,775 cars of pulpwood.

The average loading of pulpwood is from 56,000 to 70,000 pounds, and of saw logs from 40,000 to 66,000 pounds, according to the kind of car used. There is little, if any, risk of waste or damage in transit to either commodity.

At the time of the hearing spruce saw logs were worth on the Duluth market approximately \$16, pine logs \$19 to \$20, and pulpwood \$13 per 1,000 feet, a double cord of pulpwood being equivalent to 1,000 feet.

Pulpwood logs, especially the longer sticks, are suitable for and frequently are cut up for lumber, while spruce saw logs answering specifications are often sent to pulp mills to be converted into pulpwood. In certain instances lumber mills and pulp mills have exchange arrangements, each taking the stock less desirable for use by the other, and the freight rate to be applied is often determined by the carrier according to the consignee.

The two commodities are in active competition, fluctuations of the lumber market, up or down, being reflected in pulpwood prices.

We said in *Duluth Log Rates*, 29 I. C. C. 420, referring to the comparative rate upon logs and pulpwood:

This Commission is familiar with the conditions of transportation under which these commodities move from its investigations in other proceedings. Pulpwood is somewhat less valuable than logs; it will load as heavily, and it is difficult to assign any reason why the rate upon logs in that form should be more than upon saw logs proper.

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The testimony in the instant cases confirms the view that in general pulpwood or pulpwood-log rates should be no higher than those on so-called saw logs, by which is meant rough logs which have undergone no process of manufacture. However, no such principle of general application can be laid down for guidance in every individual case, and where it is clearly established that circumstances exist warranting the maintenance of varying rates, the exception may prove the rule. The saw-log scales of the Minnesota carriers here under attack, some of which were never filed with this Commission for use in connection with interstate transportation, had their inception years ago when vast tracts of uncut timber invited the erection of lumber mills in Minnesota. While now more generally applied as terminal rates for the larger mills, they were, as this record discloses, originally fixed on a low basis for the benefit of the small mills at local points, the carriers anticipating additional returns from the transportation of manufactured products. In 1909, the Railroad and Warehouse Commission of Minnesota was petitioned by the Duluth & Iron Range to permit that carrier to increase its rates on both saw logs and pulpwood. Following a comprehensive hearing, the increase was authorized with respect to pulpwood but denied as to saw logs.

In the *Pulpwood case* we declined to prescribe the Wisconsin state scale for application in Minnesota to through shipments for mills in Wisconsin and Michigan, and after a review of the conditions which apparently prompted the Wisconsin commission in establishing its scale, stated:

The Wisconsin basis is obviously intended to be applicable to conditions in Wisconsin. * * * We have always given due consideration to rates established by state commissions, but we can not feel bound to apply to that part of interstate transportation taking place in another state the rates prescribed by a contiguous state for transportation wholly within its confines.

Substantially the same situation is here found as to the rates on logs within the state of Minnesota. The Minnesota carriers deliver pulpwood to their connections for transportation to the interstate destinations, receiving revenue only for the state haul thus performed; and the benefit of any equivalent in the way of manufactured products accrues to the terminal carriers in Wisconsin and Michigan. In the case of saw logs, the movement is intrastate to the sawmill, and there is frequently a *quid pro quo* in lumber or manufactured products yielding additional revenue; hence the log rate does not accurately represent the carrier's total compensation.

Complainants contend, in so far as the Minnesota carriers are concerned, that the saw-log rates in force at the time of the filing of the petitions were not unreasonably low rates and submit comparisons with the following log scales of the Great Northern, Northern Pacific, and Michigan Central railways.

Great Northern: Logs between points in Minnesota and between points in Minnesota and points in Wisconsin, 1 cent for 10 miles graded up to 3 cents for 120 miles.

Northern Pacific: Saw logs between points in Minnesota, 1 cent for 10 miles graded up to 3.25 cents for 120 miles.

Michigan Central: Logs, bolts, and butts between points in Michigan, 1.5 cents for 10 miles graded up to 3 cents for 110 miles.

These comparisons are not accompanied by any evidence of the circumstances surrounding the original establishment or present application of the rates, the respective volumes of traffic moving thereunder, or other governing factors. They have, therefore, but little probative force. The same criticism may be made of comparisons submitted showing the pulpwood, lumber, and saw-log rates of the Maine Central Railroad, Canadian Pacific Railway, Central Vermont Railway, and Detroit & Mackinac Railway, which indicate that these carriers maintain pulpwood rates ranging from 65 per cent to 87 per cent of their log rates.

Examination of the saw-log and pulpwood distance tariffs on file with this Commission and applicable intrastate from Superior to destinations in Wisconsin discloses the following illustrative differences, the rates for intermediate distances being graded and varying correspondingly as to the two commodities:

Distances, miles.	Saw logs. ¹		Pulpwood, all lines.
	C., M. & St. P. Ry.	C. & N. W. Ry.	
	Cents.	Cents.	Cents.
5.....	1	1	1.35
25.....	1.4	1.1	1.75
50.....	1.8	1.5	2.25
75.....	2	1.8	2.60
100.....	2.5	2.2	3.05
150.....	3	2.9	3.55
200.....	3.1	3.4	4
250.....	3.3	3.9	4.6
300.....	3.5	4.5	5.1
350.....	3.7	5.1	7.5
400.....	5	5.7	8

¹ Rates on saw logs are predicated on reshipment of manufactured products via the line hauling the logs.

We said in the *Pulpwood case* that the Wisconsin commission in determining its pulpwood scale discussed and gave consideration to the various factors entering into the consideration of reasonable rates on pulpwood, such as the cost of transporting the commodity, its character, the conditions under which it is acquired and transported, and the competitive factors in the industries of which it constitutes the raw material; also that they inquired into the aggregate rates applicable to the pulpwood and paper traffic as compared with the aggregate rates applicable on saw log and lumber traffic. It is to be noted that complainants do not ask for a reduction of the Wisconsin pulpwood rates to the saw-log basis. Neither do they refer to

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the fact that, with the exception of the Duluth & Northern Minnesota Railway, the defendant originating Minnesota carriers are parties to joint through rates on logs, lumber, and articles of lumber manufacture from the points of origin to the destinations here involved, which are materially higher than the aggregate through rates on pulpwood now available between the same points.

In *Rickards v. A. C. L. R. R. Co.*, 23 I. C. C., 239, cited by complainants as a parallel of the instant cases, there were under consideration rates on mine props from points in North Carolina to Norfolk, Va., destined for movement beyond, as compared with rates on saw logs between the same points. We found that the saw-log rates were reasonable and compensatory and that the circumstances and conditions surrounding the transportation of mine props were not so dissimilar as to justify higher charges thereon. Reference was made to the contention of defendants that saw logs generally moved in solid trains, while mine props were transported in single cars which required additional switching and handling, and to the fact that special logging cars were utilized for the transportation of saw logs. Touching these conditions, we said:

The fact that certain traffic is hauled in train-load lots while complainant's traffic moves in carloads can not be made the basis of a difference in rates. * * * The character of the equipment used is in the discretion and for the convenience of the carrier; the rate is not limited to movements on logging cars, and a shipment of saw-mill logs on a flat car would still take the lower rate.

The essential difference between that case and the instant cases is that the former had to do with joint interstate rates on both saw logs and mine props, while the latter put in issue pulpwood rates constituting parts of through rates for interstate movements which are compared with intrastate mileage rates on logs established under peculiar conditions and obviously with no regard for a continuous interstate haul or the interests of others beyond the confines of the state of Minnesota.

The carriers in New England, in Canada, in Wisconsin, in Minnesota, and in Michigan, as well as the several commissions having jurisdiction therein, have, obviously, made their rates with substantial consideration for commercial conditions. We are asked to practically ignore all of those conditions and to reverse for complainants the conditions in Minnesota, fixed with approval of the Minnesota commission, despite the fact that the same principle applies in Wisconsin.

We hold, upon a careful review of the facts, that the saw-log rates to Duluth do not in this instance afford a fair or proper standard by which to test the measure of the rates on pulpwood to that point, which are to be applied as parts of the charges on through interstate shipments to mills in Wisconsin and Michigan.

We are not to be understood, however, as laying down as a correct principle of rate making one which determines the measure of inbound rates on raw material by the compensation received for subsequent independent movements of outbound manufactured products. What we do say is that defendants' log rates in Minnesota, whether or not so applied at the present time, were originally adjusted upon some such basis, and that under the present conditions they ought not to be used as a test of the reasonable rates to be applied to interstate pulpwood traffic.

An additional contention of the complainants, and one to which considerable testimony was directed, is that there is a vast difference between so-called "pulpwood" and "wood for pulp"; that the carriers have misapprehended the term and have based their present pulpwood rates upon the classified commodity "wood for pulp"; and that this is evidenced by the fact that the carriers invariably assess class-E rates in the absence of specific commodity rates. Pulpwood or pulpwood logs, it is averred, are nothing more nor less than rough spruce, hemlock, balsam, or fir logs, usually 8 to 16 feet in length, while wood for pulp consists of blocks or sections of these logs cut into 23 or 24 inch lengths, barked and peeled, or rossed, and the knots removed. It is true that in the western classification the rating given "wood for pulp," carload minimum 36,000 pounds, is class E, and it was testified that in some parts of the country, notably the New England states, and in Canada most of the tonnage to the pulp mills consists of these small prepared blocks designated "wood for pulp." In the territory with which we are dealing, however, the rossing, or peeling and trimming, is usually done after arrival at the pulp mill; and while there have been instances of movements of "wood for pulp" in this territory, there is no evidence that there has ever been any regular movement of consequence, nor is there proof that the commodity rates on pulpwood were fixed with or now have any relation to the class-E rates. Class E is apparently applied in the absence of commodity rates, for the reason that the western classification makes no separate provision for "pulpwood" or "pulpwood logs"; consequently, all such wood or logs are treated as falling within the term "wood for pulp." The classification question is not raised in the pleadings, and the testimony with respect to the distinction between the various forms of wood for use in the manufacture of pulp does not have important bearing upon the measure of the present rates.

Certain secondary questions are raised by complainants. They contend that some of the Minnesota defendants have charged in excess of the lawful rates for pulpwood logs, because the tariffs named rates on logs and placed no limitations upon the kind of

logs included thereunder. As we have seen, however, there were commodity rates on pulpwood. These appear to have been applied and the contention in this respect is not sustained.

Another contention is that defendant Duluth & Iron Range Railroad, in computing its distance rates to Endion station (Duluth) 1.8 miles short of Duluth, uses the Duluth-proper distances, and that these distances as to stations, Brimson and north thereof, are figured via Highland instead of via a shorter route through Drummond. The record is not sufficient to establish error or inaccuracy in this respect, but if the distances used by defendant are incorrect the necessary tariff corrections must be made.

An important phase of the case is that relating to the propriety of exacting a higher charge for the transportation of pulpwood from Duluth to the destinations than is contemporaneously exacted for similar transportation from Superior. The cities of Duluth and Superior lie opposite to each other on Lake Superior, the former on the north shore and the latter on the south. They are connected by three railroad bridges and are approximately two to twelve miles apart, according to carriers and interchange points. As to the Chicago, Milwaukee & St. Paul Railway, traffic from Duluth to Wisconsin and Michigan destinations does not have to move by bridge, there being a direct line via West Duluth Junction and Carlton involving a shorter haul than from Superior to the same destinations via Carlton.

With substantial uniformity the lines from Duluth, including the Chicago, Milwaukee & St. Paul, maintain interstate pulpwood rates from Duluth $1\frac{1}{2}$ cents higher than from Superior. This difference is, in effect, the switching charge, the measure of which, as before stated, was considered in the *Pulpwood case* and not found on the record there made to be unreasonable. It is here contended, however, that in so far as interstate pulpwood traffic is concerned the charge is not one for a local haul, but constitutes part of the through charge for a continuous haul; that pulpwood alone is subjected to such increased charge; and that to compel shippers of that commodity to pay more from Duluth than from Superior while all other traffic is transported from the two places at equal rates, is to unjustly discriminate against pulpwood and the shippers thereof. There were incorporated in the record excerpts from the testimony of witnesses in the so-called *Minnesota Rate case*, 184 Fed., 765, to the effect that rates north bound from Superior to points in Minnesota necessarily have to be, and are, made the same as from Duluth in order to prevent discrimination. Notwithstanding this fact, defendants do not deny that south or east bound equal rates are applied from Duluth and Superior to Wisconsin and Michigan points on all traffic except pulpwood, and they offer noth-

ing in justification of the exception made in the case of this one commodity. Under these circumstances it is our opinion that defendants operating the lines from Duluth to the destinations involved subject pulpwood traffic and the shippers thereof to undue prejudice and disadvantage and that, so long as the present practice is continued of applying on other traffic Superior rates from Duluth to Wisconsin and Michigan destinations, the rates on pulpwood or pulpwood logs from Duluth should be no higher than the rates from Superior to the same points.

Complainants earnestly contend for the establishment of joint rates, but the arguments advanced and evidence relied upon are not persuasive that either commercial necessity or the economical and expeditious handling of the traffic renders such rates essential. We expressed the view in the *Pulpwood case* that—

Traffic in pulpwood can not be constant from a particular loading point, milepost, or station in or near the timber, because the contiguous territory is soon cut over. Prescribing joint rates from particular points would make them rigidly applicable from such points. The elasticity of distance rates is desirable, and in this case they are believed to be the best form of rates to prescribe.

The establishment of reasonable rates to the gateways will apparently serve complainant's needs.

That there is some movement of pulpwood throughout the entire year, that pulpwood logs are cut at the same time and constitute a part of general log operations, and that pulpwood moves from time to time from so-called permanent stations for log loading is conceded. Nevertheless, we adhere to the view that the nature of pulpwood operations renders more desirable a distance-scale adjustment such as that already prescribed.

Reparation may properly be awarded where a discriminatory freight rate has been exacted, but it does not necessarily follow that because a rate is found to be unjustly discriminatory and unduly prejudicial that the complaining parties are the ones who have been damaged through its exaction.

Whatever may be the nature of the facts, circumstances, and conditions appearing in a particular case where reparation is involved, whether on account of excessive rates or by reason of unjust discrimination, there must be that degree of certainty and satisfactory conviction in the mind and judgment of the Commission as would be deemed necessary under the well-established principles of law as a basis for a judgment in court. *Anadarko Cotton Oil Co. v. A. T. & S. F. Ry. Co.*, 20 I. C. C., 43.

Under the law there is no fixed measure of damages in favor of a shipper compelled to pay a higher rate than his competitor, and for private wrongs for which private injury is inflicted the compensation recoverable by the injured shipper is measured by the damages actually sustained and proved. *P. R. R. Co. v. International Coal Mining Co.*, 230 U. S., 184.

This record discloses that complainants' sales were with practical uniformity made on basis of a freight rate of 7 cents, Duluth to desti-

nations. That is to say, the pulpwood-mill consignee originally paid all of the freight charges and deducted in settlement with complainants charges in excess of 7 cents. This substantially amounted in each instance to the payment by the shipper of the charges up to Duluth, and by the consignee, of charges accruing from Duluth to destination. It is also shown that at the time of the movements with which we have to deal the Wisconsin mills were represented in their purchases of pulpwood by one concern, the Pulpwood Company. Uniform contracts were used, one of which was filed in evidence and the stipulations of which were for purchases f. o. b. cars at Duluth, or points taking the Duluth rate, and the same prices were paid regardless of the point of origin of the wood in Minnesota.

The undue prejudice and disadvantage here found is with respect to the charges from Duluth to the destinations which are specifically declared to have been paid first and last by others than the complainants. Proof of damage to these complainants is lacking; hence no reparation will be awarded.

An order will be entered in accordance with the findings herein announced.

80 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 298.
RATES ON GRAIN AND GRAIN PRODUCTS FROM EAST ST. LOUIS, ILL., AND OTHER STATIONS TO EASTERN POINTS.

Submitted January 30, 1914. Decided March 16, 1914.

1. Proposed withdrawal of proportional rates on grain and grain products moving by way of the Illinois Central from St. Louis, Mo., and East St. Louis and Madison, Ill., to eastern trunk line territory held to be justified. Order of suspension vacated.
2. For reasons stated in the report the denial of milling in transit at Marine, Ill., does not appear to involve any undue discrimination.

J. G. Vahle for protestant.

A. P. Humburg for Illinois Central Railroad Company.

Fred G. Wright for Missouri Pacific-Iron Mountain system.

R. D. Coleman for St. Louis Southwestern Railway Company.

REPORT OF THE COMMISSION.

HARLAN, Commissioner:

By the tariffs under suspension, pending this investigation, the Illinois Central Railroad Company is seeking to cancel its proportional or reshipping rates on grain and grain products from St. Louis, in the state of Missouri, and East St. Louis and Madison, in the state of Illinois, to points in the territory between Buffalo and Pittsburgh on the west and the Atlantic coast on the east. Although the Valier & Spies Milling Company, of St. Louis, protested against this course, no testimony was offered at the hearing on its behalf. It appears, however, that the protestant operates a mill and elevator in St. Louis and desires to have the proportional rates continued in effect in order that it may use the facilities of the Illinois Central in shipping to the east. The protestant also operates a mill at Marine, in the state of Illinois, and it asks that the Illinois Central be required to establish a milling-in-transit arrangement at that point, so that wheat drawn from St. Louis, East St. Louis, and Madison may be milled there and the product be forwarded to eastern destinations at a total through transportation charge not exceeding that of its competitors located in St. Louis and other near-by points.

The reshipping rates on flour from East St. Louis to destinations in eastern trunk line territory range from 13.5 cents to 21.7 cents per 100 pounds and in the divisions of these rates the Illinois Central

receives from 3.5 cents to 5 cents for its haul of 290 miles to Chicago, yielding approximately from 2.8 mills to 5 mills per ton-mile. These figures do not take into consideration the switching or bridge toll at St. Louis or East St. Louis which must be absorbed by the Illinois Central and which forms a very material item in the terminal expenses. The low revenue derived from the transportation is advanced as the reason why the Illinois Central desires to withdraw from the grain traffic, and it urges that it should be permitted to do this, especially in view of the fact that no increased charges to the milling industries at St. Louis, East St. Louis, or Madison will result, because other and more direct routes to the destinations involved will still be available to all shippers located at those points.

In *Grain Rates in Central Freight Association Territory*, 28 I. C. C., 549, we recently had under consideration proposed increases in the proportional rates to Chicago applying on grain products moving from points in the state of Illinois to the Atlantic seaboard, and we expressed the opinion that the traffic ought perhaps to move by some direct line and not by way of Chicago at all. We also said that if the line through Chicago was unable to obtain reasonable compensation when operating over the circuitous route it should be permitted to withdraw from the service. In the case now before us the Illinois Central refers to this ruling in justification of its cancellation of its proportional rates from the river crossings, pointing out that it operates a north-and-south line and that the traffic ought to move by the direct east-and-west lines.

In this view of the matter we concur, the more so as there are several east-and-west lines actively competing for the traffic at the present scale of rates. The record does not disclose the exact location of the protestant's mill in St. Louis, but it is stated that it is not upon the rails of the Illinois Central. There is, therefore, no apparent reason why the circuitous line of that carrier should be preferred to the more direct lines of other carriers. Giving due weight to the whole situation as it is disclosed of record, we find that the respondent has justified its cancellation of its proportional rates on grain and grain products from St. Louis, East St. Louis, and Madison to the eastern destinations herein involved, and the order of suspension will therefore be vacated.

There remains for examination the situation existing at Marine, a local station on the line of the Illinois Central, 26 miles from East St. Louis. As heretofore stated, the protestant seeks the establishment of a milling-in-transit arrangement at Marine on the basis of the proportional rates applying on grain products from the Mississippi River to eastern destinations. This contention may not rightfully be considered as forming a part of the protest against the cancellation of

the proportional rates from East St. Louis; but the facts were brought out at the hearing and are discussed in the briefs, and therefore may have some consideration here.

It appears that the rate on wheat from Kansas City and trans-Missouri territory to Marine is the same as the rate to St. Louis and East St. Louis. Marine also enjoys the same proportional rates on flour and other grain products moving east by way of the Illinois Central as are in effect from the rate-breaking points at the river, and it is not the purpose of the carrier to make any change in that adjustment. The shipper at Marine, therefore, is on an equal footing with his competitors at St. Louis with respect to the cost of transportation from the western grain fields to the consuming markets of the east. To obtain the benefit of the reshipping rates east, however, the grain must be forwarded to Marine from the territory west of St. Louis and may not be purchased in the St. Louis market; and it is at least partly for the purpose of supplying its Marine mill with wheat from its St. Louis elevator that the protestant seeks the transit arrangement at the former point.

The disadvantages of the country millers over their competitors at the rate-breaking points were fully considered in *Missouri River-Illinois Wheat and Flour Rates*, 27 I. C. C., 286, where we endeavored to explain why the interior milling points located on the direct routes should be placed upon a basis of substantial rate equality with rate-breaking points such as St. Louis, and held that this result is attained if the total charge, on the grain into the mill and on the flour out, is not more than the rate in and out of the rate-breaking point, with the addition of a one-half cent charge for milling in transit. Under the present adjustment Marine is a rate-breaking point, and the total transportation charge does not exceed that obtaining at St. Louis or East St. Louis. It does not appear, therefore, that Marine suffers any undue discrimination owing to the lack of the transit privilege. This privilege has never been in effect at Marine on wheat from St. Louis or East St. Louis destined to eastern trunk line territory; and although the Illinois Central has expressed its willingness to accord the privilege to that point, on wheat from East St. Louis, on the basis prescribed by us in *Missouri River-Illinois Wheat and Flour Rates*, *supra*, it is not inclined to grant it on wheat from St. Louis owing to the terminal expense involved. Moreover, it is doubtful whether transit from East St. Louis would be of benefit to the protestant, since its elevator is in St. Louis.

It follows from what has been said that there is no merit in the protest, and the order of suspension will therefore be vacated.

30 I. C. C.

No. 5957.

H. E. WALLINGFORD

v.

ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY
ET AL.

Submitted January 17, 1914. Decided March 9, 1914.

Class-D rating on cement silo staves in carloads from Kansas City, Mo., to points on defendants' lines in Kansas, Nebraska, Colorado, and Oklahoma found to have been unjust and unreasonable. Class-E rating, minimum weight 36,000 pounds, found to be reasonable and prescribed for the future. Reparation awarded.

H. G. Wilson for complainant.

C. C. P. Rausch for Missouri Pacific Railway Company.

R. C. Fyfe for defendants.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

Complainant is engaged at Kansas City, Mo., in the manufacture of cement staves for silos and water tanks. By complaint, filed July 18, 1913, he alleges that unreasonable rates were charged by defendants for the transportation of various carload shipments of cement silo staves from Kansas City to points in Kansas, Nebraska, Colorado, and Oklahoma. Reparation and the establishment of reasonable rates for the future are asked.

Cement silo staves are slabs or blocks of concrete used in the construction of the walls of silos. Full-sized staves, which comprise the larger part of each shipment, weigh about 57 pounds each. The average per car loading is about 44,000 pounds. These staves are composed of one part cement and three parts sand and grit. They are somewhat analogous to and, according to complainant, are about the same value as cement building blocks, upon which, in western classification, a rating of class E, minimum weight 36,000 pounds, applies. Prior to June 30, 1913, there was no specific rating in western classification for cement silo staves, but this commodity was regarded by carriers as within the terms of the following item of that classification:

Cement window caps, sills, chimneys, chimney tops, wall coping, and similar articles for building purposes, cement flower beds, hitching posts and carriage blocks.—In packages or loose, straight or mixed, c. l., min. wt. 30,000 lbs.: Class B.

Complainant, however, in order to secure the benefit of the class-E rating, had, prior to June 30, 1913, described his shipments as cement blocks. On the above date a specific rating as follows was provided in said classification and is now in effect:

Cement staves (silo, grain bin, or water tank).—In packages or loose, c. l., min. wt. 30,000 lbs.: Class D.

According to defendants the class-D rating was established because cement silo staves are in competition with wooden silo staves, on which the rating is class D, minimum 30,000 pounds. Complainant contends that the rating on cement silo staves should not exceed class E, which applies on cement building blocks and also on various articles of artificial stone, in connection with which the minimum weight is 36,000 pounds.

Defendants state that the class-E rating was established on cement blocks and articles of artificial stone because of their competition with natural stone. It is admitted, however, by the chairman of the Western Classification Committee that no transportation reason exists why cement silo staves should not be accorded as low a rate as cement blocks, and no reason appears why cement staves should not, on account of their greater density and heavier loading, be accorded a lower rating than wooden silo staves.

This case involves the classification rating applicable on the commodity throughout western classification territory. Eleven only of the principal carriers operating in this territory are parties defendant. Others have not been heard, but were they all before us upon a record presenting the issues and facts substantially as they are presented upon the instant record we should be constrained to hold the class-D rating unreasonable and the class-E rating reasonable throughout western classification territory generally.

The restriction of the complaint to the traffic moving from Kansas City to points on lines of defendants in the states named does not, however, preclude us from applying to that traffic the rating which evidently should be made to apply generally; and we therefore hold, upon consideration of all the facts of record, that the application from and after June 30, 1913, of class-D rating upon carload shipments of cement silo staves made by complainant from Kansas City, Mo., to points on defendants' lines in the states of Kansas, Nebraska, Colorado, and Oklahoma was unjust and unreasonable, and that charges collected thereon were unjust and unreasonable to the extent that they exceeded charges which would have accrued had class-E rating been applicable, which rating, subject to a minimum weight of 36,000 pounds, will be prescribed as a maximum for the future.

We further find that complainant made shipments upon which charges were collected on the basis herein found unreasonable; that

he has been damaged in an amount represented by the difference between the charges collected and the charges which would have accrued upon the basis herein found reasonable; and that he is therefore entitled to reparation.

The amount of reparation can not be ascertained on this record, however. Complainant should prepare a statement showing as to each shipment upon which reparation is claimed, the date of movement, points of origin and destination, route, car number and initials, weight, rate applied, charges collected, and the amount of reparation due under our findings herein. This statement should be submitted to defendants, together with the freight bills covering the shipments, for auditing and verification. Upon receipt of a statement so prepared and certified by defendants' proper accounting officers to be correct, an appropriate order will be issued for the payment of the amount of reparation found due.

30 L. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 351.
RATES FOR INTERSTATE TRANSPORTATION OF CRUSHED
STONE FROM PORT DEPOSIT, MD., AND FROM POINTS
IN OTHER STATES TO POINTS IN MARYLAND AND
DELAWARE.

No. 6547.

STATE OF MARYLAND ET AL.

v.

PENNSYLVANIA RAILROAD COMPANY ET AL.

Submitted March 5, 1914. Decided March 16, 1914.

1. Proposed increased rates for the transportation of interstate shipments of crushed stone from Port Deposit, Md., and producing points in other states to consuming points in Maryland and Delaware, found not justified by the evidence of record.
2. Recently increased rates on the same commodity from and to points similarly situated, found to be unreasonable to the extent that they exceed the rates previously in effect.

John B. Daish for State Roads Commission and state of Maryland.
Henry Wolf Biklé and *Shirley Carter* for Pennsylvania Railroad Company and other carriers respondent.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

These cases involve similar matters and will be disposed of in one report. In No. 351, by order of December 12, 1913, the Commission suspended until April 14, 1914, certain tariffs filed by the Pennsylvania Railroad Company, Northern Central Railway Company, Philadelphia, Baltimore & Washington Railroad Company, and West Jersey & Seashore Railroad Company, designated as follows: Supplement No. 6 to EE-I. C. C. No. 630; supplement No. 6 to CC-I. C. C. No. 390; supplement No. 48 to GO-I. C. C. No. 2980; and supplement No. 28 to GO-I. C. C. No. 3699. By these tariffs the respondents propose certain increases in the rates for the transportation of interstate shipments of crushed stone for road-making purposes from Port Deposit, Md., and from producing points in other states to consuming points in Delaware and in the territory known as the eastern shore of Maryland. The tariffs were filed to become effective, the first-named on December 15, 1913, and the others on

January 1, 1914. The suspension was made upon protest filed by the governor and State Roads Commission of Maryland.

No. 6547 is a proceeding on complaint filed February 5, 1914, by the protestants in No. 351, attacking certain existing rates on crushed stone from and to points in the same territories involved in No. 351, published in Pennsylvania Railroad Company tariff I. C. C. No. 611, effective January 1, 1914. The rates named are higher than those formerly in effect, but through inadvertence this tariff was not included in the suspension proceeding.

By the protests and complaint the proposed increased rates and the rates now in effect under tariff No. 611 are assailed as unjust and unreasonable. Hereinafter the parties complaining in both proceedings will be referred to as protestants. The suspended rates and those named in the tariff not included in the suspension will be referred to as the proposed rates. The rates as they existed just prior to January 1, 1914, and as generally still in effect by reason of the suspended tariffs, will be referred to as the present rates.

The cases were heard together and depend upon the same evidence. The respondents contend for, and their tariffs contemplate, a uniform increase of 15 cents per ton in the rates involved in the two proceedings. Under the statute the burden is upon them to justify the proposed increase.

The stone involved in the controversy is prepared especially for road-making purposes and is known as road stone. It is crushed to four sizes, namely, such as will pass through screens with spaces of two and one-half inches, one inch and a half, and three-quarters of an inch, respectively, and a still smaller size.

About the year 1908 the state of Maryland entered upon a scheme of extensive public-road improvements. There is no stone of the kind used for road-making purposes in the territory known as the eastern shore, and suitable stone for the work in that section had to be obtained elsewhere. It was testified at the hearing by a witness for respondents that the present rates, which have been in effect since the spring of 1908, were established partly in response to a request from the State Roads Commission of Maryland for more favorable rates on road stone into the territory named, and partly because, owing to a material falling off of traffic due to the general business depression of 1907 the respondents had a great many empty cars standing idle in the early part of 1908. The rates were first established from Wilmington, Del., but soon thereafter were made effective from Port Deposit, Md., Devault, Pa., and other producing points. Shipments from Port Deposit pass through the state of Delaware, and are therefore interstate. The traffic moves in gondola cars and hopper cars, principally in the former, and it was said

that in the spring of 1908 respondents had over 5,000 gondola cars and over 7,000 hopper cars standing idle. At the present time they have nearly 3,000 idle gondola cars, but it was explained that this situation "is rather unusual" and is not expected to last long.

There is some contention by respondents that the manner in which the present rates were established brings them within that provision of section 22 of the act which authorizes the carriage of property for the United States and state or municipal governments at reduced rates, and that in view thereof they are relieved from the burden of proof imposed by section 15 as to rates increased or proposed to be increased since January 1, 1910. We are not favorably impressed with this contention. The rates are open to the general public without restriction, and in our opinion are not within the purview or intendment of the provision referred to.

It was further testified that but little traffic moves from the eastern shore and for that reason return loading for cars used in the transportation of road stone is light. The witness stated that the present rates are the lowest stone rates maintained by respondents and expressed the opinion that they are abnormally low. It appears that the carriers thought seriously of increasing the rates in 1911, but did not do so because of opposition from shippers at that time. Representatives of two of the principal shippers to the eastern shore stated that the present rates are lower than rates on crushed stone in other directions from their quarries. In connection with a comparison of rates it was said by one of them that even with the 15 cents per ton increase the eastern shore rates would be very low.

An objection strongly urged by respondents to a continued maintenance of the present rates is based on the fact that rates now in effect from the same producing points to other consuming territories, claimed to be predicated on the regular basis of stone rates, are on a higher scale. It was said that this situation is likely to give rise to future complaints by shippers to such other territories. Statements showing the present rates from representative producing points to the eastern shore and rates on stone from the same points to representative points of destination in what is known as New Jersey territory, are filed of record. From the tables contained in these statements it appears that the rates to the New Jersey territory, for substantially similar distances, are considerably higher than the present rates to the eastern shore.

The movement for increased rates on road stone to the eastern shore was initiated in April, 1913, and evidence was submitted at the hearing intended to show that, at a conference between the Governors of Maryland and Delaware and certain officials of the respond-

ent carriers, it was agreed by the latter that the contemplated increases should be delayed until December 1, 1913, and that no opposition to such increases as of the date named was then suggested. There was no agreement, however, nor do we understand it to be so claimed, that the reasonableness of the proposed rates, when established or sought to be established, would not be contested.

In furtherance of the scheme of state road improvements the legislature of Maryland has already made appropriations amounting to \$9,000,000, and we gather from the record that the purpose is to continue the improvements to the cost of a vastly greater amount. In connection with the work on the eastern shore it was shown by protestants that since 1907 there has been a continuous heavy movement of road stone into that territory from the producing points here in question. The quantities shipped annually by one concern from its various quarries, stated in tons, were as follows:

Year....	1908	1909	1910	1911	1912	1913
Tons....	4,069	24,266	66,324	40,485	17,669	34,858

Shipments by another concern increased from 7,184 tons in 1908 to 15,838 tons in 1913; and those by still another concern were:

Year....	1909	1910	1911	1912	1913
Tons....	38,986	41,889	63,765	33,140	56,549

The figures given do not include all the tonnage for the years stated, but are intended only as illustrative of the movement under the present rates. The contemplated improvements on the eastern shore are still far from completion, and there will doubtless be a continued heavy movement of this traffic into that general territory. We gather from the record that the construction of county roads to connect with the state-made roads are also contemplated, and it is assumed that this work will require greatly increased shipments of road stone from these same producing points. Prior to 1908 the movement was very light, and it was said this was in part because the stone rates then in effect did not permit competition with shells for road-making purposes.

Road stone is a very low-grade commodity; it loads generally about 60,000 pounds to the car; requires only ordinary transportation equipment, and is free from claims for damage in transit. Its value ranges from 60 to 70 cents per ton at the quarry.

By exhibits filed with the record the present and proposed rates from a large number of producing points to a like number of destination points are shown. The rates are on a car-minimum basis of 50,000 pounds, and are stated in cents per ton of 2,000 pounds. From three of the producing districts, which are regarded as representative, to a number of destination points, also regarded as representative,

the distances in miles, the present and proposed rates in cents per ton, and the revenue in mills per ton-mile are shown in the following table:

	Miles	Present—		Proposed—	
		Rate per ton.	Revenue per ton-mile.	Rate per ton.	Revenue per ton-mile.
FROM PORT DEPOSIT DISTRICT TO—					
		<i>Cents.</i>	<i>Mills.</i>	<i>Cents.</i>	<i>Mills.</i>
Chestertown, Md.....	77	50	6.49	65	8.44
Centerville, Md.....	81	50	6.17	65	8.02
Easton, Md.....	97	60	6.19	75	7.73
Federalsburg, Md.....	110	70	6.36	85	7.73
Elwood, Md.....	110	90	8.18	105	9.55
Clalborne, Md.....	112	90	8.03	105	9.38
Salisbury, Md.....	119	85	7.14	100	8.46
Fulton, Md.....	120	90	7.50	105	8.75
Cambridge, Md.....	133	75	5.64	90	6.77
Love Point, Md.....	135	90	6.67	105	7.73
Ocean City, Md.....	140	90	6.43	105	7.50
Marion, Md.....	144	90	6.25	105	7.29
Snow Hill, Md.....	146	85	5.82	100	6.85
Beaver Dam, Md.....	146	90	6.16	105	7.19
Crisfield, Md.....	150	95	6.33	110	7.33
FROM DEVAULT DISTRICT TO—					
Elwood, Md.....	147	100	6.80	115	7.82
Clalborne, Md.....	149	100	6.71	115	7.73
Salisbury, Md.....	156	90	5.77	105	6.73
Fulton, Md.....	157	100	6.37	115	7.33
Love Point, Md.....	172	100	5.83	115	6.69
Ocean City, Md.....	179	100	5.59	115	6.42
Marion, Md.....	182	95	5.22	110	6.04
Beaver Dam, Md.....	184	95	5.16	110	5.97
Crisfield, Md.....	188	100	5.32	115	6.12
FROM BIRDSBORO DISTRICT TO—					
Elwood, Md.....	162	110	6.79	125	7.72
Clalborne, Md.....	164	110	6.70	125	7.62
Salisbury, Md.....	171	100	5.85	115	6.73
Fulton, Md.....	172	110	6.39	125	7.37
Love Point, Md.....	187	110	5.89	125	6.68
Ocean City, Md.....	192	110	5.73	125	6.51
Marion, Md.....	197	105	5.33	120	6.09
Beaver Dam, Md.....	199	105	5.28	120	6.03
Crisfield, Md.....	203	110	5.42	125	6.16

An analysis of the figures given in the table shows that from the Port Deposit district to the destinations named, the average distance is 121.3 miles. The average present rate is 80 cents, and the average ton-mile revenue 6.62 mills. The average of the proposed rates is 95 cents, and the average ton-mile revenue 7.91 mills. From the Devault district to a number of the same destination points the average distance is 168.2 miles; the average present rate is 97.8 cents and the average ton-mile revenue 5.86 mills. The average of the proposed rates is 112.8 cents, and the average ton-mile revenue 6.68 mills. From the Birdsboro district to the same destination points the average distance is 185 miles. The average present rate is 107.8 cents and the average ton-mile revenue 5.93 mills. The average of the proposed rates is 122.8 cents and the average ton-mile revenue 6.76

mills. The average of all the distances given in the tables is 157.5 miles. The average present rate is 95.2 cents per ton and the average ton-mile revenue thereunder is 6.14 mills. The average of the proposed rates is 110.2 cents per ton and the average ton-mile revenue thereunder would be 7.14 mills.

The rates are generally from group points to group points, and it is objected by respondents that under these conditions ton-mile earnings are not a proper criterion whereby to judge the reasonableness of rates. Whatever the merit of this objection, it will not be denied that car-mile earnings have an important bearing upon such questions. From a still further analysis of the above table it is found that for the average distance of 157.5 miles, at the average present rate of 95.2 cents per ton applied to the car-minimum weight of 50,000 pounds, the average earnings per car-mile amount to 15.35 cents. At the same average rate applied to a weight of 60,000 pounds, the average loading of the traffic, the average earnings per car-mile amount to 18.42 cents. These figures do not support the claim that the present rates are abnormally low. Both the ton-mile earnings and the car-mile earnings indicate revenue returns that at least compare favorably with those generally received by carriers on traffic of like low grade in other sections of the country, so far as brought to our attention. Moreover, the average earnings per ton-mile on road stone under the present rates, for hauls longer than the average hauls of three of the principal carriers respondent, namely, the Pennsylvania Railroad Company; Philadelphia, Baltimore & Washington Railroad Company; and New York, Philadelphia & Norfolk Railroad Company, for traffic generally, as indicated by the annual reports of said carriers for the year 1913, are nearly as great as the average earnings per ton-mile by the same carriers for that year on all commodities. The combined average haul of the three carriers for 1913 was 115.35 miles, and their combined average ton-mile revenue was 7.14 mills. It is worthy of note that this combined average ton-mile revenue on all commodities for 1913 is exactly the same as would be the average ton-mile revenue under the proposed increased rates based on the figures of the above table.

It would seem that under the present rates the traffic is bearing at least its due proportion of the burden of operating cost. At all events the evidence does not show the contrary. Nor do the present rates appear to be abnormally low when compared with rates on like traffic via other lines for substantially similar hauls in near-by territories, as shown by exhibits filed with the record.

It requires from 3,500 to 4,000 tons of crushed stone to construct a mile of standard road. The average total cost of construction, under the freight rate adjustment in effect since 1908, has been about 30 I. C. C.

\$10,000 per mile. As the stone is purchased f. o. b. quarries, an increase of 15 cents per ton in the rates would mean an increased construction cost of about \$500 to \$600 per mile of road. For these reasons the protestants profess great concern to have the present rates continued in effect.

The issue is whether the increased rates are just and reasonable. The carriers, the protesting shippers, and the public generally are alike entitled to just and reasonable freight rates. By this standard alone is the issue to be determined.

Undoubtedly the maintenance of good wagon roads throughout the sections of country penetrated by respondents' lines is a matter of material interest to them, and it was stated that their policy has been and is to encourage such enterprises.

Upon the facts of record we find that the proposed rates named in the suspended tariffs have not been justified. An order will be entered in No. 351 directing that the tariffs under suspension, in so far as it is sought by them to establish increased rates on crushed stone from the originating points in question to points on the eastern shore of Maryland, be canceled, and requiring maintenance of the present rates as maxima for the future. An order for further suspension will be issued for the purpose of maintaining the present rates until the cancellations required by this finding shall have been effected.

We further find that the increased rates published in tariff I. C. C. No. 611, involved in No. 6547, are unreasonable to the extent that they exceed the rates in effect just prior to January 1, 1914; and an order will be entered requiring the carriers to establish and maintain for the future rates not in excess of those formerly in effect.

Reparation is asked on all shipments under the increased rates involved in No. 6547. But no proof of shipments since January 1, 1914, was offered, and in the present state of the record no award of reparation can be made. The case will be held open for a reasonable length of time for proof on this subject. Orders will now be entered in accordance with the findings herein announced.

80 I. C. C.

No. 5840.

MERCHANTS & MANUFACTURERS ASSOCIATION

v.

CAPE CHARLES RAILROAD COMPANY ET AL.

Submitted February 16, 1914. Decided March 9, 1914.

Rates of \$2.50 per net ton in carloads and \$5.70 per net ton in less than carloads on shipments of fertilizer from Baltimore, Md., to Kiptopeke, Va., found to be unreasonable to the extent they exceed \$2.10 and \$3.50, respectively.

A. E. Beck for complainant.

Frederick Lyman Ballard for defendants.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

Complainant is a corporation with office at Baltimore, Md. Its function is to promote the trade interests of its members. By complaint, filed June 6, 1913, on behalf of the Griffith & Boyd Company, one of its members, it alleges that defendants' rates on fertilizer, both in carload and less-than-carload quantities, from Baltimore to Kiptopeke and other points on the Cape Charles Railroad in Virginia are unreasonable. Kiptopeke will be taken as a representative destination. The present rates of \$2.50 in carloads and \$5.70 in less-than-carload quantities to Kiptopeke should not, complainant contends, exceed \$1.75 and \$3, respectively. All rates stated herein represent the charges per net ton.

The route of movement of this traffic is northeast from Baltimore via the Philadelphia, Baltimore & Washington Railroad to Wilmington, Del.; south via that line to Delmar on the Delaware-Maryland line; south via the New York, Philadelphia & Norfolk Railroad to Cape Charles; thence south via the Cape Charles Railroad to Kiptopeke. The distance from Baltimore to Cape Charles via this route is 260 miles and from Cape Charles to Kiptopeke 12 miles. The Cape Charles Railroad's entire line lies between Cape Charles and Kiptopeke. There are nine stations on this line between Cape Charles and Kiptopeke, rates to which are also involved in this proceeding. Rates to stations on this line grade up from Cape Charles and reach a maximum at Kiptopeke. All of these carriers are owned or controlled by stock ownership by the Pennsylvania Railroad Company. The New York, Philadelphia & Norfolk Railroad, a subsidiary of that company, owns the stock of the Cape Charles Railroad.

The present through rates are made by combining the intermediate rates of \$1.55 to Cape Charles and 95 cents beyond in carloads, and of \$2.50 to Cape Charles and \$3.20 beyond in less than carloads. The carload rate of 95 cents from Cape Charles to Kiptopeke is one prescribed by the Virginia Corporation Commission on intrastate traffic, and the less-than-carload rate of \$3.20 from Cape Charles to Kiptopeke is the fourth-class rate governed by the official classification. Both the carload and less-than-carload rates from Baltimore to Cape Charles are commodity rates. The application of the fourth-class rate on less-than-carload shipments from Cape Charles to Kiptopeke is, according to testimony offered on behalf of defendants, due to error, and should not exceed the Virginia Corporation Commission's prescribed basis on intrastate traffic of 120 per cent of the carload rate contemporaneously applicable for the same haul, which, if effective here, would add \$1.14 (120 per cent of the 95-cent carload rate from Cape Charles to Kiptopeke) to the present \$2.50 rate from Baltimore to Cape Charles, resulting in a through rate of \$3.64. Defendants stand ready to amend their tariffs accordingly. Reference was made at the hearing to certain correspondence and conversations which had passed between complainant's and defendants' representatives, in the course of which complainant refused to accept this proposed adjustment, but stated that it would be satisfied if defendants would publish rates of \$2.10 in carloads and \$3.50 in less than carloads, instead of the proposed \$2.50 and \$3.64 rates. The present combinations are as stated—\$2.50 and \$5.70. The rates would be, if the traffic moved under class rates, \$4.20 and \$6.80, respectively.

The Cape Charles Railroad traverses an agricultural region given over principally to the raising of potatoes, which requires the application of large quantities of fertilizer to the soil. Complainant's principal competitors in furnishing this needed supply of fertilizer are located at Norfolk. The rate in carloads from Norfolk to Cape Charles is \$1.50, and from Norfolk to all points on the Cape Charles Railroad other than Cape Charles \$2, these being the only joint through rates on fertilizer to Cape Charles Railroad points published by defendants. The maximum distance from Norfolk under this rate is to Kiptopeke, shipments being handled by the New York, Philadelphia & Norfolk in what is equivalent to a switching service to the water front in Norfolk thence by barge to Cape Charles and via the Cape Charles Railroad beyond. All-water routes are available to all points on the Cape Charles Railroad from Norfolk, which fact requires, according to defendants' statement, the publication by them of this all-rail rate of \$2, which they say is unreasonably low. De-

defendants transport about 90 per cent of the fertilizer consigned to Cape Charles Railroad points which originates at Norfolk.

Philadelphia manufacturers also ship fertilizer to stations on the Cape Charles Railroad. The rate in carloads from Philadelphia to Cape Charles is \$1.50, or 5 cents less than from Baltimore. In constructing the through rate from Philadelphia there is added the same local rate from Cape Charles to Kiptopeke as the Baltimore shipper pays for that part of his through service. The distance from Philadelphia to Kiptopeke is 228 miles.

The carload rate of \$1.55 for the 260-mile haul from Baltimore to Cape Charles yields about 6 mills per ton per mile, and the less-than-carload rate of \$2.50 between those points about 1 cent. These rates are blanketed south from Salisbury, Md., to Cape Charles, a distance of 89 miles. The carload rate of 95 cents for the 12-mile haul from Cape Charles to Kiptopeke yields about 7.9 cents per ton-mile, and the less-than-carload rate for that service of \$3.20 yields 26.6 cents. The rate per ton-mile for the through haul from Baltimore to Kiptopeke is about 9.2 mills under the \$2.50 carload rate and slightly in excess of the 2 cents under the \$5.70 less-than-carload rate. In 1913 there were shipped to Cape Charles Railroad stations 2,481,660 pounds of fertilizer from Baltimore, 2,330,963 pounds from Norfolk, and 311,000 pounds from Philadelphia. The minimum weight applicable on carload shipments to these points from Baltimore is 40,000 pounds. The Cape Charles Railroad paid to the New York, Philadelphia & Norfolk in 1912 a dividend of \$11,790, or 6 per cent, from a net income of \$13,341.36.

Considering all the facts appearing of record we are of the opinion and find that defendants' present rates are unreasonable for fertilizer in carloads and less than carloads to the extent they exceed \$2.10 per net ton in carloads, minimum not to exceed 40,000 pounds per car, and \$3.50 per net ton in less than carloads, and that joint rates should be established by them in those amounts accordingly. We shall expect defendants to readjust their rates to other stations on the Cape Charles Railroad in proper relation to rates herein prescribed as maximum to Kiptopeke.

An order will be entered in accordance with the views herein expressed.

30 I. O. O.

No. 4894.
ROGERS & PRINKEY
v.
BALTIMORE & OHIO RAILROAD COMPANY ET AL

Submitted May 20, 1913. Decided February 2, 1914.

Basis proposed by Baltimore & Ohio Railroad for construction of joint through rates on coal from mines on the line of the Indian Creek Valley Railway Company, which basis makes rates 10 cents per ton higher from these mines than from mines in the Meyersdale group on the Baltimore & Ohio Railroad, not found to be unreasonable or unjustly discriminatory.

Robinson & McKean and *F. J. Kooser* for complainants.

W. A. Parker for Baltimore & Ohio Railroad Company.

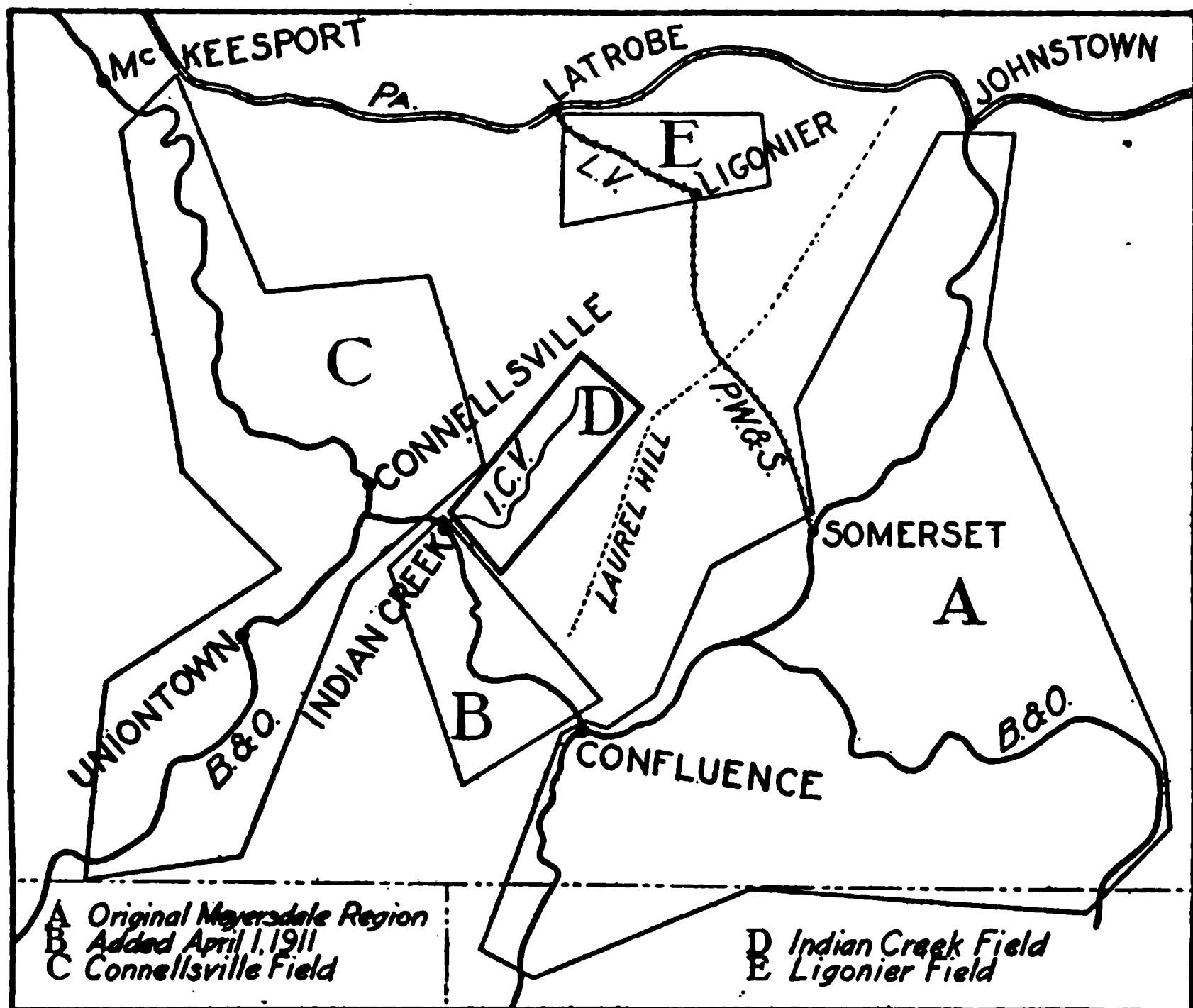
E. C. Higbee for Indian Creek Valley Railroad Company.

REPORT OF THE COMMISSION.

HARLAN, Commissioner:

Although this complaint is brought by owners of coal lands located on the line of the Indian Creek Railway, the real complainant is the railway company itself. That line connects with the Baltimore & Ohio at Indian Creek Junction, 7 miles east of Connellsville, in the state of Pennsylvania, and runs thence in a northerly direction along Indian Creek for a distance of 24 miles. Through routes and joint rates are in effect on many commodities moving in connection with these two roads, but no agreement has been reached as to divisions upon the coal traffic. That commodity moves on the local rate of the Indian Creek Railway of 15 cents per net ton to Indian Creek Junction, from which point the so-called Meyersdale group rate of the Baltimore & Ohio applies on traffic moving to eastern destinations. In the effort to settle the controversy amicably the Baltimore & Ohio has expressed a willingness to establish from the Indian Creek mines a rate 10 cents per gross ton higher than the Meyersdale rate and to allow to the Indian Creek Railway a division of the through rate of 15 cents. This is not regarded as satisfactory by the Indian Creek Railway, and the shippers on its rails also assert that they can not market their coal with a handicap of 10 cents above the Meyersdale rate. We are therefore asked to establish the Meyersdale rate from mines on the Indian Creek Railway and to allow that carrier a division of 20 cents per gross ton.

From the standpoint of the shippers of coal from the Indian Creek mines three reasons are assigned for demanding the Meyersdale rate: (1) Geologically, geographically, and commercially, the coals of the Indian Creek field are said to be the same as those of the Somerset county fields to the east, from which the Meyersdale rate applies; (2) the distance from the mines on the Indian Creek Railway is said to be about the same as the distance from the mines in the Meyersdale group; and (3) both groups of mines must compete in the same markets.



The Indian Creek Railway alleges discrimination in that the Baltimore & Ohio accepts the same rate on coal produced at mines along its own branch lines practically as far from the markets as are the mines on the rails of the Indian Creek.

A glance at the map will indicate that this complaint is not unlike others that are constantly being brought to our attention and that the shippers here complaining are experiencing the same disadvantages that are more or less characteristic of such situations. Whenever group rates are established there are points just over the group line that take higher rates. Here the mines in the Indian Creek field allege discrimination in favor of the mines in the Meyersdale field lying directly east. In the present instance, however, there is a

natural physical boundary line between the two fields, called the Laurel Hill anticlinal; and while the record leaves us in some doubt as to the real character of the coal in the two fields it seems to be agreed that for steam purposes the Indian Creek coal is as good as the Meyersdale coal, although the latter brings a somewhat higher price. On the other hand the Meyersdale coal can not be coked, while that from Indian Creek, after washing, can be made into coke that is inferior to the Connellsville coke but nevertheless competes with it to some extent. Directly west of the Indian Creek field is the Connellsville field, which takes rates 25 cents above those applicable to the Meyersdale group. Until recently there were no mining operations between Confluence, the western limit of the Meyersdale group, and Connellsville, which is in the Connellsville group. But with the opening up of the Indian Creek Railway there came a demand for the extension of the Meyersdale group rate to mines on the line of that carrier. In order to meet this demand, so far as it could without throwing the whole rate situation into confusion, the Baltimore & Ohio extended the Meyersdale rate west of Confluence 20 miles to Indian Creek Junction. This gave the Meyersdale rate to the Indian Creek mines from the junction, to which point they must pay the local rate instead of the local rate to Confluence and the Meyersdale rate beyond. This adjustment, however, not being satisfactory to the Indian Creek mines, the Baltimore & Ohio agreed to join with the Indian Creek Railway in through routes and joint rates 10 cents higher than the Meyersdale rate, the Baltimore & Ohio to absorb 5 cents of the charge of the short line to the junction. This proposal also was not acceptable to the Indian Creek interests and this complaint was brought, asking that the Meyersdale rate be extended to the mines on the Indian Creek Railway and that the division of that line be fixed at 20 cents per ton.

The Rogers mine on the Indian Creek Railway is distant 271.5 miles from Baltimore and 371.7 miles from Philadelphia. The most distant mines on the Baltimore & Ohio in the Meyersdale group are the Green Hill and Valley mines at and in the vicinity of Johnstown, Pa. The Green Hill mine is distant 253 miles from Baltimore over the Pennsylvania and 270.2 miles by the Baltimore & Ohio; from Philadelphia the Green Hill mine is 274 miles over the Pennsylvania and 370.4 miles by the Baltimore & Ohio. It is apparent, therefore, that the Pennsylvania Railroad has fixed the rate to both Baltimore and Philadelphia, being the short line to both points, and the Baltimore & Ohio if it wishes to compete must meet the rates of the Pennsylvania. The average distance from mines in the Meyersdale field over the Baltimore & Ohio is 246 miles, while from Indian Creek it is 273.6 miles.

The record contains much testimony as to an alleged discrimination against the Indian Creek Railway in favor of the Morgantown & Kingwood Railroad. That line, however, connects with an entirely different division of the Baltimore & Ohio. And while from a large part of the Morgantown & Kingwood the rates are the same as the Meyersdale rate, during the year 1911 but one-seventh of the coal handled by that line came from this section; the remainder came from mines located on that part of the line from which a rate 25 cents higher than the Meyersdale rate is charged. The coals are said to differ from those in the Meyersdale field and they move to different destinations. In fact, most of the coal mined on the Morgantown & Kingwood moved to South Bethlehem, Pa. The distance from the farthest mines on the Morgantown & Kingwood to Baltimore is 276 miles as compared with a distance of 271.5 miles from the Rogers mine on Indian Creek. In view of all these facts we are unable to find that the conditions existing in connection with the Morgantown & Kingwood Railroad afford any basis for requiring the Baltimore & Ohio to accede to the demands here made upon it. The adjustment proposed by the Baltimore & Ohio is said to be the same as that in effect between the Pennsylvania Railroad and the Ligonier Valley Railroad in the Ligonier field to the north. The rates from that field are 10 cents higher than from the Clearfield mines on the Pennsylvania Railroad; the latter group touches the Meyersdale group on the Baltimore & Ohio and both fields have the same rates. As we have before stated, Connellsville is but seven miles west of Indian Creek Junction, and the extension of the Meyersdale rate to the mines on Indian Creek, 10 miles and 14 miles, respectively, from the junction, would leave the carriers without any justification for withholding the same rates from Connellsville.

A careful examination of all the facts of record convinces us that the adjustment last proposed by the Baltimore & Ohio Railroad Company is a reasonable one and that the complaint is without merit and should be dismissed. It will be so ordered.

80 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 256.

CHATTANOOGA LOG RATES.

Submitted February 12, 1914. Decided March 3, 1914.

1. Rates on logs which would have been made effective by the tariff under suspension held unreasonable, but the respondent will be permitted to substitute for the present rates a scale of rates proposed at the hearing.
2. Shippers have no such vested interest in a rate by reason of contract or by reason of investments made under an existing rate, that this fact standing alone would preclude the raising of the rate if same were found unreasonably low.

R. Walton Moore and C. J. Rixey for Alabama Great Southern Railroad Company.

O. L. Bunn for protestants.

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

The tariff under suspension is designated as Alabama Great Southern supplement No. 1 to I. C. C. No. 1085, filed to become effective May 10, 1913, suspended until March 6, 1914, which suspension date has been further extended voluntarily by the respondent 90 days, or to June 4, 1914.

The tariff under suspension cancels the present rates on logs and puts into effect the interstate mileage rates carried in the respondent's tariff I. C. C. No. 1114, which rates are materially higher than those now in effect. At the hearing the respondent offered a scale of rates somewhat higher than the present rates and materially lower than the rates which would become effective by reason of the cancellation as above. These three sets of rates will be designated hereinafter as follows: The rates now in effect will be referred to as the present rates; the rates which would become effective by reason of the cancellation carried in the suspended tariff will be referred to as the interstate mileage rates; and the rates offered at the hearing will be referred to as the proposed rates.

The table following sets forth the three sets of rates with which we are here concerned.

30 I. C. C.

Present rates (I. C. C. 1085), interstate mileage rates (I. C. C. 1114), and proposed rates, in cents per 100 pounds.

Distance in miles.	Present rates, c. l. minimum 40,000 pounds.	Interstate mileage rates, c. l. minimum 30,000 pounds.	Proposed rates, c. l. minimum 40,000 pounds, over 140 miles 30,000 pounds.
10 and under.....	2½	4	2
15 and over 10.....	2½	4½	2½
20 and over 15.....	2½	4½	2½
25 and over 20.....	2½	5	3
30 and over 25.....	2½	5	3
35 and over 30.....	2½	5½	3
40 and over 35.....	2½	5½	3
45 and over 40.....	2½	5½	3½
50 and over 45.....	2½	5½	3½
55 and over 50.....	3	5½	4
60 and over 55.....	3	5½	4
65 and over 60.....	3	6	4½
70 and over 65.....	3	6	4½
75 and over 70.....	3½	6½	5
80 and over 75.....	3½	6½	5
85 and over 80.....	3½	6½	5
90 and over 85.....	3½	7	5½
95 and over 90.....	3½	7½	5½
100 and over 95.....	3½	7½	5½
110 and over 100.....	4	7½	5½
120 and over 110.....	4	7½	6
125 and over 120.....	4	8	6
130 and over 125.....	4	8	6
140 and over 130.....	4	8½	6
150 and over 140.....	4	8½	6½
160 and over 150.....	5	9	6½
170 and over 160.....	5	9½	6½
175 and over 170.....	5	10	7
180 and over 175.....	5½	10	7
190 and over 180.....	5½	10½	8
200 and over 190.....	5½	11	8½
210 and over 200.....	6	11	8½
220 and over 210.....	6	11	8½
230 and over 220.....	6	11	8½
240 and over 230.....	6	11	8½
250 and over 240.....	6	11	8½
260 and over 250.....	7½	11	8½
270 and over 260.....	7½	11	8½
275 and over 270.....	7½	11	8½

There is a conflict in the record as to what is the proposed carload minimum. The exhibits show that for distances over 140 miles a 30,000-pound minimum is proposed, and as this figure is used for the comparison offered, and since it is in accord with what seems reasonable, we will assume that such is the proposed minimum for distances over 140 miles.

It will be noticed from this table that the proposed rates are in most instances higher than the present rates, but that they graduate more uniformly with the increased distance than the present rates. It appears that the present rates apply only from local stations on the line of the respondent and that they do not apply from junction or common points such as Birmingham, Attalla, Gadsden, or Meridian, and this situation affords a number of inconsistencies, for instance, Birmingham takes an 8½-cent rate while local stations immediately north thereof take a 4½-cent rate and those immediately south a 30 I. C. C.

5-cent rate, and it appears that the purpose of the suspended tariff was to iron out these inconsistencies and put into effect a scale of rates that would be more consistent with the distance. Under the proposed rates Birmingham will take a 6½-cent rate where before it took an 8½-cent rate.

Comparisons have been offered by the respondent between its proposed rates and the rates of other roads for hauling logs into Chattanooga, and with the log rates of other roads for similar distances into Nashville, Tenn., and Memphis, Tenn., and to Ohio River points, from which comparisons it appears that the proposed rates line up favorably with the rates of other roads into Chattanooga and to the other points taken for the comparisons where the traffic conditions appear to be similar.

It should be noted that unlike the situation at Memphis as disclosed in *May Bros. v. Y. & M. V. R. R. Co.*, 26 I. C. C., 323, the Alabama Great Southern gets none of the outbound shipments of lumber made from the logs it hauls into Chattanooga.

It further appears from that case that for the year ending September 30, 1911, the Yazoo & Mississippi Valley Railroad Company hauled 273,368 tons of logs into Memphis, while the respondent in this case only hauled 19,898.7 tons into Chattanooga in the year ending December 31, 1912. The periods taken are typical. This traffic moves in gondolas and flat cars and must bear the return of the equipment empty. An average trip for a car is ten days.

As a part of the service included under the proposed rate the respondent delivers the logs to the plants of the protestants located on its belt line. When the logs are received over any other line except the Southern Railway a switching charge of \$2.50 is made. It appears that the Southern absorbs this charge.

The following table, compiled from respondent's exhibit, shows a comparison of the earnings per car on logs under the proposed rates and other low-rated commodities for a haul of 200 miles, it appearing that the bulk of the log movement over the line of the respondent is from distances which fairly average 200 miles:

Commodities.	Minimum weight per car.	Rate per 100 pounds.	Revenue per car.
	<i>Pounds.</i>	<i>Cents.</i>	
Logs.....	30,000	8½	\$25.50
Brick.....	30,000	9	27.00
Cement.....	30,000	11	33.00
Grain and grain products.....	40,000	19½	78.00
Cotton seed.....	30,000	14	42.00
Fertilizer.....	30,000	12½	37.50
Gravel and sand.....	40,000	9	36.00
Scrap iron.....	30,000	12½	37.50
Sewer pipe.....	25,000	11	27.50
Tile.....	30,000	11	33.00

It appears that 15½ per cent of the movement of logs into Chattanooga is from Tuscaloosa, Ala., at a distance of 198 miles; that 49½ per cent is from Birmingham and stations south at distances ranging from 172 to 275 miles; that 67.3 per cent of the entire movement into Chattanooga is at distances over 100 miles, and that 46 per cent of the movement is for distances over 200 miles. It appears that the present rates have been in effect since 1900, but since that time the distance for which the majority of the logs moved into Chattanooga has constantly increased by reason of the exhaustion of the forests closer to Chattanooga.

The protestants are sawmill operators with their mills located at Chattanooga, Tenn., and some of them have large timber holdings in southern Alabama. They have made large investments at Chattanooga in the shape of plants, and it seems to be their contention that these investments were made dependent on the present rate being maintained and that it will injure these investments if the rate is increased, and therefore no increase is warranted, and the Commission is precluded from authorizing higher rates. It has often held that shippers have no interest in a rate by reason of contract or by reason of investments made under an existing rate such that this fact standing alone would preclude the raising of a rate if same were found unreasonably low. *Rates on Crushed Stone*, 29 I. C. C., 136; *Southern Pacific Co. v. I. C. C.*, 219 U. S., 433, 450.

From a full consideration of all the circumstances presented in the record before us it is our conclusion that the rates proposed at the hearing by the respondent are reasonable and the Alabama Great Southern Railroad Company will be required to put the rates, as proposed, into effect at once by proper publication as prescribed under section 6 of the act to regulate commerce.

An order will be entered accordingly.

30 I. C. C.

No. 6127.
METROPOLIS COMMERCIAL CLUB
v.
ILLINOIS CENTRAL RAILROAD COMPANY ET AL

Submitted February 7, 1914. Decided April 6, 1914.

1. The maintenance of higher rates on lumber and logs from equidistant points in the states of Tennessee, Alabama, Mississippi, Louisiana, and that part of the state of Arkansas lying on and south of the line of the Chicago, Rock Island & Pacific Railway, Memphis, Tenn., to Little Rock, Ark., to Metropolis, Ill., than are contemporaneously maintained to Cairo, Ill., held to subject Metropolis and shippers and manufacturers at that point to undue prejudice and disadvantage.
2. From points in the territory described east of the Mississippi River, the rates to Metropolis should not exceed those to Cairo; while from points west of the Mississippi River the rates to Metropolis should not exceed by more than one cent per 100 pounds the rates to Cairo.
3. The charges of the Illinois Central Railroad Company from Paducah, Ky., to Metropolis, Ill., applied as parts of the through charges for through transportation from producing points of logs to be milled in transit at Metropolis, should not exceed the charges for similar transportation from East Cairo, Ky., to Cairo, Ill., of logs to be milled at Cairo.

Hines & Norman, by J. V. Norman, for complainant.

R. Walton Moore and *Charles J. Rixey, jr.*, for Illinois Central Railroad Company; Yazoo & Mississippi Valley Railroad Company; Alabama & Vicksburg Railway Company; Alabama Great Southern Railroad Company; Atlanta & West Point Railroad Company; Atlantic Coast Line Railroad Company; Birmingham & Southeastern Railway Company; Central of Georgia Railway Company; Gulf & Ship Island Railroad Company; Mobile & Ohio Railroad Company; Nashville, Chattanooga & St. Louis Railway; New Orleans & Northeastern Railroad Company; New Orleans, Mobile & Chicago Railroad Company; Seaboard Air Line Railway; Southern Railway Company; Southern Railway Company in Mississippi; Tuskegee Railroad Company; Vicksburg, Shreveport & Pacific Railway Company; Western & Atlantic Railroad; and Western Railway of Alabama.

R. D. Coleman for St. Louis Southwestern Railway Company.

G. B. Auburtin for New Orleans Great Northern Railroad Company.

REPORT OF THE COMMISSION.

CLARK, Commissioner:

This complaint, brought by the Metropolis Commercial Club, a voluntary commercial organization of Metropolis, Ill., alleges that

defendants' rates for the transportation of logs, lumber, and articles taking the lumber rates, from points in the states of Tennessee, Alabama, Mississippi, Louisiana, and that part of the state of Arkansas lying on and south of the line of the Chicago, Rock Island & Pacific Railway, Memphis, Tenn., to Little Rock, Ark., are unreasonable, unjustly discriminatory against Metropolis, and unduly preferential to Cairo, Ill. It is also alleged that the Illinois Central Railroad's milling-in-transit rates on logs to Metropolis are unreasonable, unjustly discriminatory against Metropolis, and unduly preferential to Cairo.

Metropolis is located north of the Ohio River, about 12 miles west of Paducah, Ky., and 6 miles by rail from Brookport, Ill. Traffic from Paducah to Metropolis is transported by car ferry across the Ohio River to Brookport, thence by rail. In respect of the geographical location and the extra ferry and rail service to Metropolis as compared with Paducah, and in that there is an attack upon the milling-in-transit log rates of the Illinois Central Railroad, the instant case differs from *Paducah Board of Trade v. I. C. R. R. Co.*, 29 I. C. C., 583, otherwise the cases are closely related, the instant case dealing with the same rate structure, involving substantially the same territory of origin, being bottomed upon the same facts and raising the same issues considered and passed upon in the *Paducah case, supra*. It is true that in the latter case log rates were not discussed. With few exceptions, however, the flat rates on logs and on lumber from this general territory of origin are the same, and there is here no attempt to differentiate between the two. The instant case also brings in issue rates from points in Alabama and Tennessee not considered in the *Paducah case*, but as these were not stressed, but merely touched upon in most general terms, it may be fairly assumed that except for the somewhat greater hauls they are subject to the same conditions which affect the construction and application of rates from other points in the territory of origin east of the Mississippi River.

The services performed in the transportation of logs and lumber from Paducah across the river to Brookport, thence to Metropolis, can not be treated as independent or separate services, but must be considered in their integral relation to the through hauls. As to the traffic under discussion, where through rates are published they are the same to Paducah, Brookport, and Metropolis, the expense of crossing the river and the rail transportation to Metropolis not being reflected in any addition to the rate to Paducah; and this is true as to traffic from points east of the Mississippi River and north of the line of the Alabama & Vicksburg Railway, where the rates are the same to Metropolis as to Cairo.

In the *Paducah case, supra*, it was shown that the bridge tolls or crossing charges on lumber were, in cents per 100 pounds from East Cairo to Cairo and from Paducah to Brookport, local 3, through 2. In connection with the milling-in-transit rates on logs, hereinafter discussed, the Illinois Central charges from its stations to both Brookport and Metropolis an arbitrary of 2 cents per 100 pounds over the rates to Paducah, and here again the carrier has evidently ignored the 6-mile rail haul, Brookport to Metropolis, the aim being, as stated of record, to put the manufacturers on the north bank of the Ohio River more nearly on a parity with those on the south bank.

The tariffs on file with the Commission show that the outbound rates on lumber from Cairo, Brookport, and Metropolis to such points as St. Louis, Chicago, Indianapolis, and Cincinnati are the same, while the rates from Paducah are 2 cents per 100 pounds higher. We stated in the *Paducah case, supra*, at page 588:

Defendants objected to the introduction of testimony bearing upon the rate adjustment outbound from Paducah and Cairo to central freight association and trunk line territories. Inbound lumber rates to the Ohio River crossings, however, can not be considered alone and without the outbound rates.

And at page 589:

When, however, we consider that the great volume of lumber which moves into Cairo and Paducah, and the other Ohio River crossings, is not locally consumed but is sent out again to points north of the river, after having been sorted, graded, or manufactured, it becomes evident that from the hardwood territory, as well as from the pine territory, the rates to Paducah should be 1 cent less from equidistant points than those contemporaneously maintained to Cairo.

And in *Paducah Board of Trade v. I. C. R. R. Co.*, 29 I. C. C., 593, a difference of 1 cent per 100 pounds was fixed as reasonably compensatory for the additional service performed northbound in crossing the river from Paducah. We thus reduced to 1 cent the spread in the outbound rates from Paducah as compared with Cairo, Brookport, and Metropolis.

Under these conditions, and for the reasons stated in the previous cases, we find that the present adjustment subjects Metropolis and the shippers and manufacturers at that point to undue prejudice and results in undue preference and advantage to Cairo and the shippers and manufacturers at that point; that the rates on logs and lumber to Metropolis from equidistant points east of the Mississippi River embraced within the territory of origin here involved should not exceed the rates contemporaneously maintained to Cairo; and that from equidistant points in Louisiana and Arkansas, west of the Mississippi River, on and south of the line of the Chicago, Rock

Island & Pacific Railway from Memphis to Little Rock, the rates to Metropolis should not exceed by more than 1 cent per 100 pounds those contemporaneously maintained to Cairo.

In this case, as in *Paducah Board of Trade v. I. C. R. R. Co.*, 29 I. C. C., 583, complainant contends for the establishment of joint through rates from points west of the Mississippi River, and the same showing is made with respect to the length of the hauls to Metropolis as compared with Cairo. The complaint, however, contains no specific request for the establishment of through routes and joint rates; consequently, we can not make an order such as is desired. We think that defendants should establish from points or groups in the territory described lying west of the Mississippi River and substantially equidistant from Cairo and Metropolis, rates to Metropolis via the routes at present used, unless they elect to do so over the more direct route via Memphis, not in excess of 1 cent per 100 pounds higher than the rates contemporaneously maintained from the same points or groups to Cairo.

We come now to the question of the rates of the Illinois Central Railroad applicable to logs milled in transit. The tariffs of this carrier provide that logs to be milled at various points on its line, including Cairo, Brookport, Paducah, and Metropolis, shall be way-billed and the charges collected at the full local rates to the milling points, and when the manufactured product, in the ratio of 1 pound of lumber to 3 pounds of logs, is shipped out via the Illinois Central, the inbound charges will be reduced to certain specified net mileage rates. These mileage rates apply to East Cairo and Paducah, and in constructing the net rates to Cairo and Metropolis, arbitraries of 1 and 2 cents per 100 pounds, respectively, are added. No attack is made upon the transit arrangement as such, or upon the portions of the net rates to East Cairo or Paducah, the sole contention being with respect to the difference of 1 cent in the added charge to Metropolis as compared with Cairo.

It was shown that the average loading of logs moving through Paducah to Metropolis is 45,000 pounds, and a charge of 1 cent per 100 pounds would yield a per car revenue of \$4.50. Figures of substantially similar import, bearing upon the cost of installation and operation of the car ferry, Paducah to Brookport, were introduced in the *Paducah cases* and in this case, but these afford no reliable basis for determining the actual cost of the service, Paducah to Brookport and Metropolis. Not only is this service, as hereinbefore stated, incidental to the entire haul of the logs from producing point to Metropolis, but there accrue to the carrier, in addition to the charges on the logs to Metropolis, the revenues from the outbound manufactured products.

Ordinarily a local rail haul of 6 miles is entitled to consideration, and we would find little difficulty in approving an added charge for such haul, but here the carrier, by its own action in assessing the same arbitrary over the Paducah net mileage rates on shipments to Metropolis and to Brookport, and by charging the same rates on lumber from Metropolis as from Cairo, disposes of the defense that the excess of 1 cent over the Cairo rate is justified by the additional rail haul, and no other good reason appears for applying to these transit rates other or different principles than those laid down in connection with the flat rates on logs and lumber already discussed.

It is our conclusion that the exaction of higher charges for the transportation from Paducah to Metropolis, as parts of the through charges for through transportation from the producing points of logs to be milled at Metropolis, than are contemporaneously exacted for transportation from East Cairo to Cairo, as parts of the through charges for similar through transportation of logs to be milled at Cairo, subjects Metropolis and shippers and manufacturers of logs at that point to undue prejudice and disadvantage and results in undue preference and advantage to Cairo and shippers and manufacturers of logs at that point.

An order will be entered in accordance with the findings herein announced.

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No. 5978.

WICHITA BUSINESS ASSOCIATION

v.

ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY
ET AL.

Submitted March 24, 1914. Decided April 6, 1914.

Complaint alleged that the present any-quantity rates on brooms from Wichita, Kans., of \$2.10 per 100 pounds to Pacific coast terminals, and \$2 per 100 pounds to north Pacific coast points, are unreasonable and unjustly discriminatory against traffic from Wichita, and unduly preferential to eastern and Pacific coast manufacturing points; also that the rates on brooms, as such, are unduly discriminatory and prejudicial as compared with rates on broom corn, *Held:*

1. That the any-quantity rates on brooms are not shown to be unreasonable *per se*.
2. That they are not shown to be unduly prejudicial to Wichita or unduly preferential either to other manufacturing points or to the traffic in broom corn. Complaint dismissed.

Martin E. Casto and *W. J. Wagner* for complainant.

Seth Mann for San Francisco Chamber of Commerce and Broom Manufacturers on San Francisco Bay.

F. P. Gregson for Associated Jobbers of Los Angeles.

Frank N. Hill for Fresno Traffic Association.

A. A. Hurd for Atchison, Topeka & Santa Fe Railway Company; Gulf, Colorado & Santa Fe Railway Company; Southern Kansas Railway Company of Texas; Pecos & Northern Texas Railway Company; Sunset Railroad Company; Union Pacific Railroad Company; Oregon Short Line Railroad Company; Oregon-Washington Railroad & Navigation Company; Southern Pacific Company; and Northern Pacific Railway Company.

E. W. Camp for Atchison, Topeka & Santa Fe Railway Company.

George D. Squires for Southern Pacific Company.

REPORT OF THE COMMISSION.

CLARK, *Commissioner:*

Complainant is a voluntary business association of Wichita, Kans., organized for the promotion of the industrial interests of that city. It brings this complaint on behalf of the Southwestern Broom & Warehouse Company, one of its members, engaged in the manufac-
80 I. C. C.

ture, sale, and shipment of brooms, and which will hereinafter be referred to as the complainant. The complaint alleges (1) that defendants' rates for the transportation of brooms in carload lots from Wichita to points in California, Oregon, Washington, and British Columbia are unjust and unreasonable, in violation of section 1 of the act; (2) that said rates subject shippers from Wichita to unjust discrimination, and give undue preference and advantage to manufacturers of brooms in the western states and province mentioned, and also to those located at points in various eastern states, including New York City and Baltimore, Md.; (3) that by neglecting and refusing to establish carload rates on brooms from Wichita to points in the states and province mentioned defendants subject complainant to undue and unreasonable prejudice and disadvantage and give undue and unreasonable preference and advantage to shippers of brooms in less than carloads and to shippers of broom corn. The establishment of just and reasonable rates on brooms, in carloads, together with reparation on past shipments is asked.

A hearing was held at Wichita, following which briefs were filed by complainant and defendants. Subsequently, because of the desire of manufacturers on the Pacific coast to be heard and because the evidence adduced at the Wichita hearing was not satisfactory upon the question of the relationship of the broom rate to the broom-corn rate, we set the case for further hearing at San Francisco, Cal. Additional testimony was there taken, in which the Pacific coast manufacturers sought to present the interests of that section in the rates involved. The case is now submitted on the record as thus made up.

Rates are stated herein per 100 pounds. There are no commodity rates on brooms in carload lots to Pacific coast points from any part of the United States east of the Rocky Mountains. Western classification governing the class rates from Wichita to the coast provides first-class rating on brooms in less than carloads and second class in carloads, minimum weight 12,000 pounds. There is, however, from all of the territory east of the Rocky Mountains a rate of \$2.10 on brooms in any quantity to California terminals. To north Pacific coast terminals there is an any-quantity rate of \$2 from Wichita and all the territory lying generally west of the Indiana-Illinois state line. From all points east thereof, including New York City and Baltimore, the rate to north Pacific coast points is \$2.10. Although the allegations of the complaint embrace rates to points in British Columbia, complainant does not ship into that territory.

The any-quantity rates stated are less than the class rates, in carloads and less than carloads, and have been in effect for several years. In brief, it may be said that the material issues involve the any-

quantity rates as such when applied to the transportation of brooms in carload quantities from Wichita to destinations in the Pacific coast states.

The most extensive producing area of broom corn in the United States includes southwestern Kansas, western Oklahoma, the panhandle of Texas, and part of New Mexico. Wichita, situated in close proximity to this section, has become an important concentrating point. It is the central and probably the largest market for broom corn in the United States. At Wichita are located seven or eight large warehouses, to which the broom corn is shipped for assorting, grading, sale, and distribution to the manufacturers of brooms throughout the country, who buy their supply largely in the Wichita market. There is also an extensive broom-corn producing section in Illinois and a limited production in California; the production in the latter state, however, is not as yet sufficiently large to appreciably affect market conditions.

The principal broom factories east of the Rocky Mountains, other than at Wichita, are located at Lincoln and Deshler, Nebr.; Jefferson City, Mo.; Paris, Ill.; Evansville, Ind.; La Crosse, Wis.; Amsterdam, N. Y.; Hamburg, Pa.; and Baltimore, Md. The principal factories on the Pacific coast are located at Los Angeles, Sacramento, and San Francisco, Cal.; Portland, Oreg.; and Seattle and Tacoma, Wash. There are factories also at Denver, Colo.; Amarillo, Tex.; Oklahoma City, and numerous other points.

Complainant draws its entire supply of broom corn from the near-by producing fields at an average freight rate of 39.3 cents. The Pacific coast manufacturers buy in the same fields and ship their broom corn under a commodity rate of \$1.25 in carloads, minimum weight 14,000 pounds. The eastern manufacturers, consuming as they do more than the production of Illinois, also draw largely upon the Wichita market for their supply of broom corn, and pay, of course, a higher freight rate than complainant must pay on his supply.

The normal price of broom corn ranges from \$50 to \$100 per ton, dependent upon quality. The market at the time of hearing was said to be above normal, the prices ranging from \$60 to \$160 per ton. In the manufacture of brooms there is a waste of from one-third to one-half of the raw material.

Complainant began business at Wichita in the spring of 1909. It was formerly engaged in manufacturing at Evansville, and now has factories at Evansville and Baltimore. Taking into consideration the cost of materials, labor, freight on raw material, overhead expenses, etc., complainant's witness testified that the cost of manufacture at Evansville and Wichita, on an average basing price of

\$100 per ton for broom corn, and allowing for differences in cost of other materials and labor, is per dozen brooms of average grade, at Wichita \$2.34, while at Evansville it is \$2.18. Other grades of brooms cost at Wichita \$3.03 and at Evansville \$2.88½. The cost of manufacturing at Baltimore and other eastern points is said to be substantially the same as at Evansville.

The Wichita factory represents an investment of approximately \$200,000 and has a capacity of about 400 dozen brooms per day. The output for the year 1912 was 52,000 dozen brooms, or approximately 200 dozen for each working day. The factory makes four different grades of brooms. Its output is said to be restricted to approximately 50 per cent of its capacity because of competitive conditions. It shipped 62 carloads of brooms to Pacific coast territory during the last two years, but witness does not consider this a fair proportion of the business. The brooms shipped consisted of the higher grades only, it being, witness testified, impossible to compete with the Pacific coast manufacturers in the lower grades because of the disparity between the broom and broom-corn rates.

Complainant meets keen competition from two sources—first, from the large manufacturers established in various parts of the country and distributing their brooms wherever they may; second, from the more numerous small factories, characterized by complainant as the “home broom makers.” The latter employ small capital, manufacture on a comparatively small scale, and have relatively low operating expenses, yet make enough brooms to supply local demand in smaller towns and cities. Competition of the latter sort, complainant asserts, is perhaps the hardest to meet. The establishment of factories on the Pacific coast is asserted to have materially changed the competitive conditions in the manufacture of brooms within the past few years. These factories have grown up in recent years and from small “home broom makers” have attained a strong position in the manufacturing business. Complainant asserts that they practically have a monopoly on the Pacific coast in the manufacture and sale of the cheaper grades of brooms; that they are improving their output and, with increasing efficiency, may soon be able to exclude competitors even in the higher grades of brooms.

To meet competition of the eastern and also of the Pacific coast manufacturers, complainant has established warehouses at Seattle, Oakland, and Los Angeles, to which it ships brooms in carload quantities for distribution to the local trade as needed. The warehouses are also a necessity for saving time in filling orders, because the trade demands quicker delivery than could ordinarily be made by direct shipment from Wichita.

Eastern manufacturers, as we have seen, can manufacture brooms somewhat more cheaply than can complainant. With the single ex-

ception of broom corn they secure their supplies at less cost. Complainant alleges that the blanket rates give to the former undue preference and advantage. It contends that if \$2.10 is reasonable from Baltimore, for instance, it must necessarily be unreasonable and unjust from Wichita, and that there is no justification for a blanket rate that extends from the Atlantic seaboard to and including Lincoln, Nebr., and Wichita on the west.

Another and perhaps the most important feature affecting complainant's competition in the sale of brooms on the Pacific coast is the rate of \$1.25 on broom corn to that territory from the producing section in Kansas and Oklahoma. Taking 40 cents as the average rate on broom corn into Wichita, complainant has an apparent advantage of 85 cents in the rate. It contends that as between a rate of \$1.25 on broom corn and \$2 and \$2.10 on brooms the adjustment is one which unduly prefers and tends to build up the Pacific coast factories at the expense of the Wichita manufacturer.

The average weight of shipments made by complainant during the past two years averaged 17,110 pounds per car. It is suggested, therefore, that a carload rate should be established subject to a minimum weight of 16,000 pounds, which would be about the maximum weight of brooms that could be loaded into a 36-foot car.

Brooms in carloads are loaded by the shipper at the factory and are unloaded by consignees. They are remarkably free from claims for damage on carload shipments, although when shipped in less than carloads they are liable to be somewhat damaged. Complainant expresses the opinion that aside from the element of value there is no transportation reason why the rate on brooms should be higher than that on broom corn, and contends that the rate on brooms from Wichita to the Pacific coast should not exceed \$1.50 in carloads, minimum weight 16,000 pounds. Although complainant's witness strongly contended that the \$2.10 rate is not compelled by water competition, he nevertheless admitted shipping recently a large consignment of brooms from Baltimore to the Pacific coast by water.

Broom corn loads much more heavily than do brooms. A case recently considered by us, and to which reference has been made in the instant case, involved a proposed increase of 10 cents in the rate on brooms in carload lots from various originating points, including Wichita, to Colorado common points. We there found that the average weight of all shipments of brooms and broom corn during the period of the greatest movement over the lines and to the points in question in 1912 was 13,242 pounds for brooms, and 23,776 pounds for broom corn, 32 carloads of brooms, and 883 carloads of broom corn having been carried. *Broom Rates to Colorado Points*, 28 I. C. C., 310, 311.

The argument is presented that there should be a reasonable relationship of rates between the raw material and the manufactured article, and that the present relationship is unjustly discriminatory. Upon the latter proposition the Pacific coast interests take issue with complainant. Inquiry, for comparative purposes, into the relative classification ratings and minimum carload weights on brooms and broom corn in the western, southern, official, and Canadian classifications has been made and the result is shown in the following table:

Classification.	Brooms.			Broom corn.		
	Less than carloads.	Carloads.	Minimum weight.	Less than carloads.	Carloads.	Minimum weight.
Western.....	1	2	12,000	1	3	16,000
Southern.....	1	2	12,000	2	5	16,000
Official.....	¹ 1	2	12,000	1	2	16,000
Canadian.....	1	5	20,000	1	5	20,000

¹ Boxes or crates.

For the purpose of showing that the traffic in brooms and broom corn quite generally involves a departure from the classification rating complainant introduced numerous comparisons of rates on brooms and broom corn in various sections of the country. Without here stating these comparisons, it will be sufficient to say that they show that in many instances, in different parts of the country, carriers maintain specific rates on brooms and broom corn which are less than the class rates which would otherwise be applicable. The comparisons lack probative value, however, for they are unaccompanied by any showing of the volume of movement under them or of the circumstances and conditions which gave cause for them.

It is well known that rates are controlled by various and varying conditions; therefore the rates established in one section of the country furnish no reliable standard by which to measure the reasonableness of rates in another section where dissimilar conditions prevail: *Acme Cement Plaster Co. v. L. S. & M. S. Ry. Co.*, 17 I. C. C., 30, 34.

Complainant asserts that the development of the Pacific coast factories during the past few years has greatly changed commercial conditions since the establishment of the present rates on brooms and broom corn, and that the general effect of the present rate adjustment is to limit the output of its factory. It does not ship from its eastern factories to the coast for the reason that it considers the western section of the country belongs naturally to the Wichita factory. It contends that it is territory to which Wichita may naturally

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claim a right to ship on even terms with other manufacturers; that the low rate on broom corn from the Kansas-Oklahoma fields to the Pacific coast and the lower cost of production at the eastern manufacturing points, as well as in the factories on the Pacific coast, would keep it entirely out of the Pacific coast trade were it not for the fact that it is able to put out a comparatively high grade of brooms upon which, for the purpose of retaining the market and holding its volume of business, it is willing to accept a small margin of profit.

Defendants' witness took the position that the any-quantity rates are in fact carload rates, but at the same time he admitted that there is no carload rate from any point east of the Rocky Mountains to the Pacific coast that is lower than the less-than-carload rate from the same point.

It appears that the rate on brooms which, after some minor changes or fluctuations, finally settled at \$2.10, was originally established as the result of clearly apparent water competition from the Atlantic seaboard to the Pacific coast. That water competition is still active appears from the fact that during the fiscal year 1913 at least 108 tons of brooms were carried by the American-Hawaiian Steamship Company by water from New York to California. How many were carried by other water carriers to Pacific coast ports does not appear, but the steamship line mentioned quoted a rate of \$1.20.

The commodity rate on broom corn has been in effect for more than 10 years. Attention was not directed to the fact at the hearing, but we find upon looking into the tariffs that it is a blanket rate applying from Chicago, Milwaukee, and St. Louis rate points and, roughly, from all points west thereof. The rate includes valuable concentration and transit privileges at Wichita, where broom corn may be concentrated and forwarded within one year to ultimate destination at the through rate from original point of shipment.

Defendants contend that the present rates are reasonably low and assert that the fact that brooms move by rail is evidence of the ability of manufacturers to compete in the Pacific coast section; that the manufacturers there have intimated that if the rate on brooms should be reduced they would expect a similar concession in the rate on broom corn.

So far as the evidence adduced applies to the issue of reasonableness, it is quite insufficient to prove the rates to be unreasonable *per se*. We have dealt with a number of cases where the classification provided ratings on articles on an any-quantity basis only, and where the class rate was the only rate applicable. In such cases we have refused to establish specific carload rates where there was no showing

that the rate under attack was unreasonable for the service rendered. *Bentley & Olmstead Co. v. L. S. & M. S. Ry. Co.*, 17 I. C. C., 56; *Commercial Club of Omaha v. B. & O. R. R. Co.*, 19 I. C. C., 397, 401.

More recently cases have come before us which presented the question of reasonableness of any-quantity rates upon carload traffic in somewhat different aspect than did the earlier cases. Two of the

Pacific coast. With respect to alleged undue preference of the eastern manufacturers, it is to be remembered that complainant is itself engaged in manufacturing at Evansville and Baltimore. That the eastern factories may have some slight advantage is indicated by complainant's testimony to the effect that, owing to the somewhat lower cost of production and equal rates, it can put the products of the Evansville and Baltimore factories into Pacific coast markets as cheap as it can ship from the Wichita factory. We do not find, however, that the advantage is unduly prejudicial.

Lastly, complainant alleges that defendants' refusal to establish carload rates on brooms, less than the any-quantity rate, subjects it to undue and unreasonable prejudice and disadvantage and gives undue and unreasonable preference and advantage (1) to shippers of brooms in less than carloads and (2) to shippers of broom corn. The first part of this allegation is not sustained by any evidence of record, and we therefore dismiss it from further consideration. The second part avers, in substance, that one kind of traffic is given an undue and unreasonable preference over another in violation of section 3 of the act. It is evident from a study of the facts that the competition which most seriously affects complainant in the Pacific coast markets is that of manufacturers located in that section who draw their supply of broom corn from Wichita under the \$1.25 rate. Complainant alleges that the latter rate has enabled the Pacific coast manufacturer to make and sell the cheaper grades of brooms at prices which exclude it from the market. It still has a substantial trade in the higher grades of brooms, but it apprehends that the maintenance of the present adjustment of rates, together with increasing efficiency on the part of the Pacific coast manufacturers, will eventually drive it from that market, even in the higher grades of brooms.

The real question in this issue is whether or not the adjustment of rates as between the raw material and the manufactured product gives any undue preference or advantage to one kind of traffic over the other. The question of the proper adjustment of rates as between a raw material and the manufactured product thereof when moving in competition with each other has come before us many times in various aspects. Typical of the general nature of the cases are those involving the relationship of rates between live stock and packing-house products and between grain and grain products.

The general rule is that manufactured products bear higher rates of transportation than does raw material, and it is founded in reason, because ordinarily there is a substantial difference between the value of one and that of the other, and frequently there is a greater degree of risk incident to the transportation and care of the manufactured product than of the raw ma-

terial. The practice, however, is not universal, and is departed from in some instances because the reasons for the distinction are lacking, and in other cases because of countervailing commercial and market conditions and considerations. *East St. Louis Cotton Oil Co. v. St. L. & S. F. R. R. Co.*, 20 I. C. C., 37, 40.

The manufacture of brooms has been carried on on the Pacific coast for 12 years or more. Commercial conditions have changed, but as to the effect or result of that change the testimony of the Pacific coast manufacturer is flatly contradictory of that of complainant.

The representatives of the Pacific coast manufacturers testified in the most positive way to a depressed condition of their business. They say that notwithstanding the great increase in the population in California in recent years they are manufacturing fewer brooms than they were 5 to 10 years ago. They testified, as complainant testified at Wichita, to having plants with double the capacity of their present or recent output; to having money tied up in large stocks of brooms for which there is no demand. All of this depression in their business they ascribe to the lower prices at which brooms are sold in California by eastern manufacturers.

The Pacific coast manufacturers say that they are at a disadvantage strategically with the Wichita manufacturer in obtaining the better quality of broom corn; that they do not usually get the better quality and that their waste therefore runs as high as 50 per cent. They say that the \$1.25 freight rate on broom corn means an "effective" rate to them of \$2.50, and that if the present relationship of rates is changed to their disadvantage it will mean a practical monopoly of the Pacific coast trade for the eastern manufacturer.

They point to the testimony regarding the cost of making the average grade of brooms at Wichita, which is given at \$2.34 per dozen. A dozen brooms of this grade weigh about 24 pounds, the freight under the \$2.10 rate would equal 50 cents per dozen brooms, making the cost laid down in Pacific coast terminals about \$2.84 per dozen. The cost of manufacturing a similar grade of brooms on the coast is from \$3.42 to \$3.46 per dozen which, the Pacific coast interests urge, shows a decided advantage in favor of the eastern manufacturer.

Complainant's witness testified at Wichita that he established his plant at that point without giving any serious consideration to the freight rate, believing that as he had located at the greatest broom-corn market in the world he would be most advantageously situated for manufacturing; that later he seriously considered moving his machinery out and taking it to some other point, turning his Wichita house into a warehouse. A California manufacturer testified, on the other hand, that he was only deterred from moving his plant to some

point in or near the Kansas-Oklahoma fields because he had been unable to finance the change.

It may be stated in conclusion that the Pacific coast market appears to be pretty evenly divided between the local and eastern manufacturers. This Commission has no authority to equalize by rate adjustments the commercial or natural advantages of one community over another. Even if it had such authority, it is difficult to perceive in view of the testimony how, in the present case, it would find opportunity to exercise it.

Upon consideration of all the facts and circumstances of record, we are unable to find that the rates of which complaint is made are either unreasonable or unduly prejudicial to complainant. The complaint must be dismissed, and it will be so ordered.

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INVESTIGATION AND SUSPENSION DOCKET No. 285.

RATES ON FRUITS AND VEGETABLES BETWEEN
POINTS IN CALIFORNIA AND POINTS IN NEVADA,
ARIZONA, AND OTHER POINTS.

Submitted February 24, 1914. Decided April 7, 1914.

1. Proposed increases in the classification ratings on carload and less-than-carload shipments of fresh fruits and vegetables between points in California and points in Nevada, Arizona, and other states not justified.
2. Commodity rates to Arizona points established after the order of suspension which are on the basis of, or lower than, the class rates in effect at the time of the filing of the suspended schedule, permitted to remain.

H. F. Bartine, W. H. Simmons, and E. H. Walker for Railroad Commission of Nevada.

F. A. Jones for Arizona Corporation Commission.

G. J. Bradley for Merchants' and Manufacturers' Association of Sacramento.

F. W. Gomph for Pacific Freight Tariff Bureau.

Allan P. Matthew for Western Pacific Railway Company.

Geo. D. Squires for Southern Pacific Company.

T. J. Norton and E. W. Camp for The Atchison, Topeka & Santa Fe Railway Company.

REPORT OF THE COMMISSION.

MEYER, *Commissioner*:

On June 16, 1913, there was filed with this Commission by F. W. Gomph, agent, supplement 12 to Pacific Freight Tariff Bureau exception sheet No. 1-C, I. C. C. No. 119, which in item No. 53-D changes the classification for shipments of fresh fruits and vegetables between points in California and points in Nevada, Arizona, and other states. The testimony at the hearing had to do with the effect of this tariff upon rates to Arizona and Nevada, and the discussion in this report will be confined to the situations in these two states.

In western classification the ratings on fresh fruits and vegetables are first, second, and third class for less-than-carload shipments, and third, fourth, and fifth class and class C for carloads. By item 53-C in agent Gomph's exception sheet No. 1-C, I. C. C. 119, however, the ratings provided were fourth class for less-than-carload shipments and class C for carloads. By item 53-D of the suspended tariff above mentioned, the carriers attempted to advance the classi-

fications to the ratings provided by the current western classification for less-than-carload shipments—which, as above indicated, are first, second, and third class—and to fifth class for carload shipments of fruits and vegetables which were classified higher than class C, the class-C rating to remain in effect on the vegetables that were classified at class C in the current western classification. Protest was made by the Railroad Commission of Nevada, and the tariff was suspended on July 19, 1913, and the order of suspension has now been further continued until May 20, 1914.

It is claimed that the effect of the suspended tariff would be to increase the rates for the transportation of fresh fruits and vegetables from California points to points both in Nevada and Arizona. The Nevada situation may be first considered.

THE NEVADA SITUATION.

As to Nevada there is no question but that the proposed classification would materially increase the existing rates. The carriers allege here, however, and generally, that the primary object of the change is to put these commodities in their proper classification. It was testified that the exceptions to western classification in the case of fruits and vegetables were first made, not because the carriers considered the ratings given were proper for perishable commodities, such as these, requiring special handling, but because this method of making rates by exception to the classification was an easy method of publishing commodity rates which were desired at the time to promote and encourage the fruit-growing industry in California. The carriers now contend that this was a mistake, and that it would have been much better had they adopted the more elaborate method of publishing separate commodity rates, for the reason that the practice of making the rates by exception to the classification has resulted in the automatic reduction of these virtual commodity rates by every reduction in the class rates. It is claimed that the reductions in the class rates, while the classifications made in the exceptions have remained the same, have reduced the rates on fruits and vegetables to a point at which they have become unreasonably low. In addition the carriers contend that it is obviously improper to classify fruits and vegetables, highly perishable goods, in some cases quite light and bulky, in the same class for less-than-carload lots as nails and bar iron, sugar, canned goods, and other commodities not perishable which load much heavier. A similar comparison is made in the carload ratings, and it is pointed out that class C is considerably less than that carried on such commodities as bar iron and nails, and other iron articles, and is about the same as the classification on such

commodities as cement, lime, and plaster, which are among the lowest in value and permit heavy loading.

While, as above indicated, the carriers are contending that the rates under the present classification are unreasonably low, the main emphasis both in the hearing and in the briefs is laid on the contention that the present classifications are improper and should be corrected. It is urged that western classification is a standard which has been adopted by the carriers and this Commission as the most scientific arrangement of commodities in classes and that any deviation from it should be compelled only by the existence of special conditions. It is contended that no such conditions exist for the traffic in question, as the movement is small in volume and does not justify the general establishment of commodity rates. The carriers urge that they should be permitted to abolish the unscientific and objectionable process of making commodity rates by exceptions to the classification, and say that if this is permitted any change in the volume of movement of fruit and vegetables to Nevada and Arizona and other states will be promptly met by the establishment of appropriate carload commodity rates.

As to the reasonableness of the rates for the movement now under consideration—that is, from California points to points in Nevada—the carriers' defense is a general one. They instance, first, the history of the class rates, both between California and Nevada points and between Ogden and Salt Lake City and Nevada points, for the period between January 1, 1894, to the present date. This history shows a number of material reductions. While the rates between some of the other points show a greater number of reductions during the period in question, the following statement of the class rates in cents per 100 pounds between Sacramento, Cal., and Reno, Nev., may be taken as illustrative:

	1	2	3	4	5	A	B	C	D	E
Rates effective Jan. 1, 1894	129	113	102	87	78	78	34	33½	25½	25½
Rates effective Jan. 2, 1911	85	71	64	51	43	43	34	28	25	21
Reduction	44	42	38	36	35	35	0	5½	½	4½

It should be explained that the rates of 1894 were governed by western classification and contained no exceptions. In July, 1896, the rates were subject to a rating of class B on fresh fruits and berries in straight or mixed carload lots and class 2 for fresh fruits and vegetables in less than carload lots. Vegetables, fresh, in carload lots, were rated class C. In December, 1903, the same ratings were established except that a mixture of fruits and vegetables was permitted under the class-B rating. In June, 1908, ratings were made

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providing fourth class for less than carloads and class C, carloads, on fruits, berries, and vegetables, fresh, in straight or mixed carloads.

The reductions effective on January 2, 1911, were ordered by this Commission in *Traffic Bureau of the Merchants' Exchange v. S. P. Co.*, 19 I. C. C., 259, reductions effective generally on the class rates between Sacramento, Cal., and points on the main line of the Southern Pacific between Reno, Nev., and Cecil Junction, Utah. It appears from the record that under order of the Nevada commission reductions have also been made of late in the rates for the intrastate movement in Nevada.

The carriers contend that at the time of the reductions in 1911, under order of this Commission, they should have made the change in classification which they now propose, and that they omitted to do so only because of the pressure of work which devolved upon them from litigation at that time, and that as a consequence of this omission Nevada for the past two years has been enjoying rates to which it was not entitled and which amount to discrimination in its favor as against Arizona. They allege that they should be permitted to eliminate this discrimination, and that if the order of suspension is vacated such a result would be brought about, as the rates to Arizona and Nevada will then be on a substantial parity. The carriers also introduced some testimony and made some argument on the point that the service is an expensive one, as the shipments are made almost entirely in refrigerator cars. This means the hauling of an additional weight over that of the ordinary freight car. It is also pointed out that the service is an expedited one in through trains.

The protestant, the Railroad Commission of Nevada, contends that the asserted desire of the carriers to bring about a proper uniform classification for the commodities in question is merely a pretext, and that the real purpose of the change is to increase the carriers' revenue and offset the diminutions which it has suffered because of reductions in the rates themselves under order both of this Commission and state commissions. It contends specifically that it is an effort to render nugatory, as far as these commodities are concerned, the reductions in the class rates prescribed by this Commission in 1911. It asserts that no sufficient justification has been shown for the substantial increases proposed. It is testified by one of its witnesses that while there have been changes in the service during the past few years there have been no improvements in facilities within this period which would call for the great increase in the rates. The fact that the movement is in through trains, it contends, should make for lower rather than higher rates.

A number of exhibits showing the effect of the proposed change in classification were filed at the hearing by the protestant, the Rail-

road Commission of Nevada, and intervener, the Merchants & Manufacturers' Association of Sacramento.

Comparison is made between the rates on fruits and vegetables from Sacramento to various points in Nevada under the present class-C classification on carload shipments in straight or mixed carload lots as compared with the rates to the same destinations under the class-5 rating, which it is proposed to apply. It appears that the percentage of increase would range in the cases of the different destinations from 50.98 per cent to 82.38 per cent. The figures of the comparison in the case of carload shipments from Sacramento to Reno are as follows:

Mileage.	Class C.		Class 5.		Percentage increase.
	Rate per 100 pounds.	Rate per ton-mile.	Rate per 100 pounds.	Rate per ton-mile.	
154.1	\$0.28	\$0.03634	\$0.43	\$0.05581	53.57

A similar detailed comparison is made between the less-than-carload rates under the present and the proposed ratings, from which it appears that the percentages of increase range from 18.09 per cent to 67.39 per cent.

Comparison is also made between the present and proposed carload rates for shipments from Sacramento to various Nevada destinations on the Southern Pacific Company's system and the average receipts per ton per mile for handling all commercial freight on that company's system for the year ending June 30, 1913. It appears that the present rates are about three times the average receipts per ton-mile, and that some of the proposed rates would be as high as five times the average.

One exhibit filed by the Nevada commission shows the effect of the proposed increase in classification by comparing the charges paid by one firm located at Reno on fruits and vegetables actually consigned to it from various points in California during the period from September, 1912, to August, 1913, with the charges this firm would have to pay on the same traffic under the proposed increased classification. This firm, it may be mentioned, appears to be the largest fruit jobber in Nevada. The totals for the shipments from all California points are as follows: Weight, 1,505,974 pounds; present charges, \$5,528.57; proposed charges, \$8,397.27; proposed increases, \$2,868.70; percentage of increase, 51.888 per cent.

Tables were also filed to show increases in the rates between points in the state of Nevada. While these, of course, as intrastate rates are outside of this Commission's jurisdiction, they were introduced

because of the character of the movement in question. It appears that shipments are made from the California points to points in Nevada, such as Reno, Hazen, Elko, etc., and are thence distributed by jobbers in less-than-carload lots to points of ultimate destination both in Nevada and in adjacent California territory. The percentages of increase in these intrastate rates are, if anything, higher than those indicated above for the interstate rates.

Protestants compare the Nevada rates with rates from California points to Oregon. One exhibit shows that the earnings per car-mile are considerably greater under the proposed Nevada rates than they are in the case of the Oregon rates. The figures in the cases of Elko, Nev., and Roseburg, Oreg., in which the distances from Sacramento are most nearly alike, are as follows:

To—	Miles.	Present rate.	Earnings per car- mile.	Pro- posed rate.	Earnings per car- mile.
		Cents.	Cents.	Cents.	Cents.
Elko.....	467	38	22	57½	33
Roseburg.....	484	35	19	.....	.....

It appears also that in the case of the Oregon traffic commodity rates are published less than the class rates; for example, for shipments from Sacramento to Ashland, Oreg., the less-than-carload first-class rate on fruits and vegetables other than potatoes and onions is \$1.32, but a commodity rate is published of \$1.23.

It would seem that the considerations which must enter into the determination of the issues outlined above have not, at least as far as the carriers are concerned, been as fully discussed as is desirable. The main contention of the carriers raises an issue of abstract classification independent of the matter of the amount of the rates applicable to the traffic in question. They contend that from the classification viewpoint the existing ratings of fresh fruits and vegetables are improper and should be corrected. The so-called elements of classification have been repeatedly discussed by the Commission. In the case *In the Matter of the Suspension of Western Classification No. 51*, 25 I. C. C. 442, these matters were very fully considered. In the present record, however, we do not find a full statement of those facts which are and should be fundamental in determining the class to which particular commodities should be assigned. While the classification problem is generally discussed, there is very little definite evidence on the considerations of weight, space, value, risk, etc., which must be taken into account to determine the proper classification of fresh fruits and vegetables. The carriers seem to rest largely on the general proposition that the commodities in question should not be maintained in the same class as such low-

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grade commodities as cement, bar iron, etc. As to this we think there is much force in the contention of one of the respondents that so far as the record is concerned it is just as logical to argue that the classification of cement, for instance, is too high, as that the classification of fruits and vegetables is too low. In short, it would seem that the carriers' treatment of this phase of the question is insufficient to establish that as a matter of classification, the ratings proposed are the correct ones rather than the ones which they were to supersede.

Even if the classification for which the carriers contend is a proper one, considered as a matter of abstract classification, there would seem to be a still further question as to whether, under the circumstances, commodity rates should not be applied to the traffic to the destinations, or at least the principal destinations, in question. An argument which is advanced perhaps as frequently as any against the establishment of a uniform classification is that great differences in transportation conditions will always require the establishment and maintenance of commodity rates. Many thousands of such commodity rates are now in effect. This issue would seem to be unavoidable in the present case for the reason that the carriers themselves contend that the ratings which the suspended schedule proposes to change are virtually commodity rates, made by exception to the classification as a simple method rather than by publishing them separately as regular commodity rates. They contend that these commodity rates should now be abolished and the ratings restored to the regular classification basis. In this connection it should be noted, however, that in the case of carload shipments the proposed return is not to the regular western classification ratings, which would be third, fourth, fifth, and class C, but to a different rating of fifth class and class C, and that, consequently, even in the proposed classification there still seems to be much of the commodity basis.

Considering the change as one from a commodity to a pure classification basis, there seems to be little in the record to justify the change. There is very little discussion and less evidence regarding the considerations which ordinarily control in the question whether a classification basis should be modified by the establishment of commodity rates. For example, the carriers assert that the amount of the traffic does not justify the maintenance of commodity rates but they offer no evidence as to what the present amount is. The protestants, it may be noted, have submitted some evidence on this score but only with reference to shipments from one point, Sacramento. We are accordingly left with insufficient data to determine whether the withdrawal of the commodity rates is in accordance with, or contrary to, the general practice regarding the maintenance of class rather than commodity rates or vice versa. Specifically, we find little information as to whether the conditions of the traffic in question

have so altered as to make the commodity rates originally applied to the traffic now improper, unless it be the suggestion that because of the reductions in the class rates, applied by exceptions to the classification to these commodities as commodity rates, the rates have become unduly low.

This leads to a still further aspect of the general problem which must be taken into consideration, namely, that of the amount of the rates apart from the form in which they are published. The carriers, while contending that the classification is improper, also distinctly contend that the rates themselves are too low. On this issue as to the reasonableness of the increased rates there is the same inadequacy of proof as in the case of the classification issue. The carriers allege generally that the Nevada rates are too low as compared with the Arizona rates; they introduce some testimony on the point that the service is a special and expensive one; and they point to the reductions which from time to time have been made in the class rates. Without discussing these contentions in detail, we may say that we can not find in them, or in such evidence as is adduced in their support, an adequate justification for the very material increases in rates here proposed. Our conclusion, therefore, must be that whether the matter is considered from the aspect of abstract classification or from the aspect of the amount of rates applicable to the traffic in question, the respondents have not sustained the burden imposed upon them by the law of justifying the proposed increase. Consequently, the ratings which the suspended schedule proposed to supersede, or corresponding commodity rates, must be maintained in force for a period of not less than two years.

THE ARIZONA SITUATION.

As indicated above, the suspended schedule, item 53-D, of agent Gomph's exception sheet No. 1-C, I. C. C. No. 119, affects rates both to Nevada and Arizona. At the time of its suspension, July 19, 1913, no protest was made on behalf of the Arizona shippers. Later, however, the Arizona Corporation Commission asked to be heard in the proceedings relating to the suspended tariff and appeared at the hearing and took an active part.

The question is raised as to whether the suspended schedule would cause any increases in the Arizona rates. The carriers contend that it would not, and that the Arizona Corporation Commission is without any cause of complaint. This issue involves the consideration of a complicated series of tariffs which were published in the period from the time of the suspension of item 53-D until the early part of December, a few days before the hearing. The following summary of these tariffs will relate first to the tariffs which apply

to traffic between California points and points in Arizona on the Santa Fe, Prescott, and Phoenix lines of the Atchison, Topeka & Santa Fe Railway and points on the Arizona Eastern Railroad (Phoenix and Hayden divisions).

The suspended schedule was filed on June 16, 1913. At that time there were no commodity rates applicable, and the traffic to points on the lines just mentioned was covered by class rates governed by western classification and the exceptions thereto in item 53-C of agent Gomph's exception sheet I. C. C. No. 119, which the suspended schedule proposed to supersede. The class rates to Phoenix and Prescott, Ariz., published in agent Gomph's I. C. C. No. 11, were as follows, in cents per 100 pounds:

From—	1	2	3	4	5	A	B	C	D	E
San Francisco.....	223	188	167	151	124	133	107	97½	82½	79
Los Angeles.....	194	167	155	142	115	124	83½	77½	65½	60½

Item 53-C provided less-than-carload rating of fourth class and a carload rating of class C on fresh fruits and vegetables. The suspended schedule, as above indicated, proposed to raise the ratings to first, second, and third class for less than carloads and fifth class for carloads of fruits and vegetables rated higher than class C in western classification. Prior to the filing of this schedule proposing the change in rating, which was to go in effect on July 23, 1913, the carriers had filed a tariff to become effective July 15, 1913, Pacific freight tariff bureau tariff No. 8-A, Gomph's I. C. C. 138, materially reducing the class rates formerly carried in Gomph's I. C. C. No. 11. The new class rates to the Arizona points described, illustrated by the rates to Phoenix and Prescott, were as follows:

From—	1	2	3	4	5	A	B	C	D	E
San Francisco.....	190	157	137	114	93	93	76	65	60	52
Los Angeles.....	165	137	122	99	83	83	66	55	50	42

In view of this reduction in the class rates the carriers at the time of the suspension of item 53-D protested against the application of the suspension—that is, to the maintenance of the old classification—to these Arizona rates, but the Commission refused to make any exception to its suspension order. Consequently these reduced class rates went into effect on July 15 under the old classification. For example, the carload rate of class C became, in the case of shipments from Los Angeles to Phoenix and Prescott, 55 cents rather than 77½ cents, the rate before July 15. It should be noted that this same tariff—No. 8-A, Gomph's I. C. C. 138—also provided in item 195 car-

load commodity rates to the principal destinations in Arizona on the lines mentioned. These commodity rates, however, did not become effective on the effective date of the tariff for the reason that the tariff provided, generally speaking, that they were to be applicable to fruits and vegetables specified in the current exception sheet as taking fifth class, and on July 15 there was no fifth-class rating in the current exception sheet. Their going into effect was still further postponed for the reason that the suspended schedule proposing this rating, which was to have gone into force on July 23, was suspended. The rates therefore continued to be the new reduced class rates under the old classification, and this condition obtained until August 10, 1913, when supplement No. 4 to I. C. C. No. 138 went into effect.

This tariff, applying between points in California, on the one hand, and points in Arizona and New Mexico on the other, established in item No. 6, under the heading "exceptions to the current western classification and current exceptions thereto," the ratings proposed in the suspended schedule; that is, first, second, and third class on less-than-carload shipments, and fifth class on carloads of fresh fruits and vegetables rated higher than class C in western classification, class C remaining on vegetables so rated in western classification. The tariff was issued on short notice under special permission by this Commission upon representations by the carriers and on the condition that the rates which the tariff would make effective would not be higher than those in effect prior to the reductions of July 15. On carload shipments the ratings would in a number of instances have resulted in rates higher than the rates in effect before that date. This supplement 4, however, with its fifth-class rating made applicable, the carriers contend, the commodity rates above mentioned, namely, those carried as item 195 in the first issue of the same tariff, I. C. C. 138. It may be remarked that there is some doubt as to whether under a strict interpretation of the wording of item 195 this supplement No. 4 did make the commodity rates applicable. However, they were clearly made applicable by supplement 6 of the tariff, effective November 15, 1913. These commodity rates appear to be on the basis of the old class-C rates prior to July 15; for example, the commodity rate from Los Angeles to Prescott and Phoenix is 77½ cents, the old class-C rate to the same points. A supplement effective October 22 confined the application of the ratings provided in item 6 to traffic only between points in California and points in Arizona. As to the less-than-carload shipments supplement 4, as above indicated, established the suspended ratings of first, second, and third class, applicable both to the Arizona and New Mexico traffic. This resulted in increase of rates contrary to the understanding at the time the tariff was issued. This situation, however, when called to the carriers' attention was corrected by items No. 411, 412, and 413 in supplement

8, effective December 1, which made some reduction in the carload rates and provided commodity rates for the less-than-carload shipments on the basis of the class rates in effect prior to July 15, 1913. For example, the commodity rates to Prescott and Phoenix are now \$1.51 from San Francisco and \$1.42 from Los Angeles, the same rates as the old fourth-class rates.

The net result of the foregoing, both in the case of carload and the less-than-carload rates is this: the new classifications proposed in the suspended tariff have become effective by a subsequent tariff issued under the special permission of the Commission; the class rates have been reduced and are lower than those in effect at the time of the filing of the suspended schedule; the class rates, however, are no longer applicable, but their place has been taken by commodity rates which are in general on the same basis as the class rates in effect when the schedule was filed. The foregoing, it will be understood, is simply an outline description of the tariff changes and does not purport to interpret the tariffs in detail.

The tariff just described and the rates contained therein are the ones which were principally discussed in the hearing and in the briefs. Item 53-C of Gomph's exception sheet I. C. C. No. 119, which the suspended schedule proposed to supersede, applies, however, to lines serving Arizona points other than the ones covered in those tariffs. The situation with reference to these other lines is in general as follows:

The rates on fresh fruits and vegetables from California points to Arizona points on the Southern Pacific Railroad were prior to July 15, 1913, class rates governed by the exceptions to western classification carried in Gomph's exception sheet I. C. C. No. 119. Carload shipments, therefore, took the class-C rate. Effective July 15, the Southern Pacific published a tariff establishing commodity rates for carload shipments, straight carloads, of fresh fruits and also commodity rates on fresh vegetables in straight carloads. These rates are in the main reductions from the class rates on straight and mixed carload shipments which prevailed prior to that time. Subsequent to the order of suspension another tariff was published, effective November 5, 1913, which established commodity rates on fresh fruits and vegetables in mixed carloads. These commodity rates are the same as the class-C rates above mentioned. There are no less-than-carload commodity rates to these destinations. The rates now applicable, consequently, are the fourth-class rates. The tariff effective July 15, 1913, established fourth-class rates which in most instances appear to be reductions under those previously in effect. The situation just described is illustrated by the following table of rates:

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To Arizona points on Southern Pacific Company (Sou. Pac. Co. I. C. C. Nos. 2965, 951, 3613, 3632).

To—	C. L. ¹	L.C.L. ²	C. L. ³	L.C.L. ⁴	C. L. ⁵
Yuma, Ariz., from—					
San Francisco.....	\$0.67½	\$1.04	\$0.54	\$1.04	\$0.67½
Los Angeles.....	.40	.96	.29	.79	.40
Sentinel, Ariz., from—					
San Francisco.....	.81	1.23	.75	1.14	.81
Los Angeles.....	.56½	1.15	.50	.99	.56½
Tucson, Ariz., from—					
San Francisco.....	.91	1.45	.91	1.14	.91
Los Angeles.....	.76½	1.34	.70	.99	.76½
Nogales, Ariz., from—					
San Francisco.....	1.00	1.45	{ ⁶ .95 1.00 ⁷ }	1.42	1.00
Los Angeles.....	.90	1.34	.83	1.27	.90
Fairbank, Ariz., from—					
San Francisco.....	1.00	1.45	{ ⁶ .95 1.00 ⁷ }	1.37	1.00
Los Angeles.....	.90	1.34	.83	1.22	.90
Cochise, Ariz., from—					
San Francisco.....	.96	1.45	{ ⁶ .95 1.00 ⁷ }	1.45	.96
Los Angeles.....	.81½	1.34	.81½	1.31	.81½
Bowie, Ariz., from—					
San Francisco.....	.98	1.45	{ ⁶ .95 1.00 ⁷ }	1.45	.98
Los Angeles.....	.83½	1.34	.83½	1.34	.83½

¹ Carload (class C) rates in force prior to July 15, 1913.
² Less-than-carload (fourth class) rates in force prior to July 15, 1913.
³ Carload commodity rates on fresh fruits, straight carloads, and fresh vegetables, straight carloads, in force July 15, 1913, to present.
⁴ Less-than-carload (fourth class) rates in force July 15, 1913, to present date.
⁵ Carload commodity rates on fresh fruit and vegetables, mixed carloads, in force November 5, 1913, to present.
⁶ Vegetable rates.
⁷ Fruit rates.

To Arizona points on the El Paso & Southwestern system, the Arizona Eastern Railroad (Cochise division), Arizona & New Mexico Railway, and the Morenci Southern Railway the situation is as follows: In the case of the less-than-carload shipments no commodity rates are applicable; the rates are class rates governed by western classification and Gomph's exception sheet I. C. C. No. 119, the shipments consequently taking the fourth-class rate. Effective October 1, 1913, rates were published which in some instances were reductions under those previously in effect. Carload shipments prior to October 1, 1913, were in all instances governed by class rates and the ratings provided in Gomph's exception sheet, shipments consequently taking class-C rates. Effective on the date mentioned, a tariff, Gomph's I. C. C. No. 145, was published making material reductions in these rates. These rates, however, were not applicable, because the tariff published an item, No. 1, entitled "exceptions to current western classification and current exceptions thereto," which provided fifth-class rates for straight or mixed carloads. This item is in violation of the order of suspension. The same tariff, effective October 1, however, established to some specified points commodity rates for straight carload shipments both of fresh fruits and of fresh vegetables, which were reductions from the class rates applicable both to straight and mixed carload shipments effective prior to October 1.

1913, but were advances over the class-C rates as reduced by the tariff effective on that date. The situation just described is illustrated by the following table of rates:

Rates to Arizona points on El Paso & Southwestern system, Arizona Eastern Railroad (Cochise division), Arizona & New Mexico Railway, and Morenci Southern Railroad (Gomph's I. O. O. 69, 90, and 145).

[Rates on fruit apply on fresh fruit, carloads. Rates on vegetables apply on fresh vegetables, carloads. No commodity rates on mixed carloads of fresh fruit and vegetables.]

To—	Less than carload rates.		Carload rates.			
	Prior to Oct. 1, 1913.	Oct. 1, 1913, to present.	Class C prior to Oct. 1, 1913.	Fifth class, Oct. 1, 1913, to present.	Fruits, commodity, Oct. 1, 1913, to present.	Vegetables, commodity, Oct. 1, 1913, to present.
Tombstone, Ariz., from—						
San Francisco.....	\$1.50	\$1.43	\$1.04	\$1.18		
Los Angeles.....	1.39	1.29	.90½	1.06		
Bisbee, Ariz., from—						
San Francisco.....	1.64	1.46	1.11	1.18	\$1.00	.85
Los Angeles.....	1.53	1.34	.94½	1.06	.83	.8
Courtland, Ariz., from—						
San Francisco.....	1.66	1.63	1.11	1.33		
Los Angeles.....	1.65	1.62	.96½			
Douglas, Ariz., from—						
San Francisco.....	1.68	1.46	1.13	1.16	1.00	.8
Los Angeles.....	1.57	1.34	.96½	1.06	.83	.8
Duncan, Ariz., from—						
San Francisco.....	1.65	1.65	1.15	1.26		
Los Angeles.....	1.54	1.54	1.01½	1.25		
Guthrie, Ariz., from—						
San Francisco.....	1.76	1.68	1.23	1.44		
Los Angeles.....	1.65	1.65	1.09½	1.24		
Clifton, Ariz., from—						
San Francisco.....	1.62	1.62	1.26	1.40		
Los Angeles.....	1.71	1.71	1.14½	1.30		
Morenci, Ariz., from—						
San Francisco.....	1.86	1.67	1.30	1.53		
Los Angeles.....	1.75	1.76	1.16½	1.43		

It will be noticed of the tariff described above governing rates to points on the Southern Pacific Railroad that the less-than-carload shipments are still governed by the class rates and would be affected by the change in ratings proposed by the suspended schedule. As to carload shipments the class rates have been superseded by commodity rates, which for mixed carloads are on the basis of the old class-C rates and for straight carloads are less. Consequently the

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The protestant, the Arizona Corporation Commission, appears not to be seriously concerned with the matter of abstract classification or the form in which the rates applicable to the traffic may be published, but to be interested solely in the amount of the rates. Its position, in short, is that not only are increases not warranted, but that the rates prevailing at the time the suspended schedule was filed are excessive. In the case of the territory served by the Santa Fe, Prescott & Phoenix lines of the Atchison, Topeka & Santa Fe, and the Arizona Eastern Railroad (Phoenix and Hayden divisions), it contends that the class rates in effect prior to July 15, 1913, now commodity rates, are excessive, and that the rates applicable should be the reduced class rates, with the old classification. Using the Los Angeles-Phoenix rate as illustrative, it is contending for the 55-cent rate in effect from July 15 to August 10, rather than the 77½-cent commodity rate, now in effect, made on the basis of the old class-C rate. It contends generally that even these reduced rates are on a higher scale than those generally prevailing in the west for similar hauls.

Comparison is made with the California-Oregon rates, the contention being that with respect to this traffic the Southern Pacific Company is maintaining materially lower rates mile for mile than in the case of the Arizona traffic. In illustration it is pointed out that from Sacramento to Roseburg, Oreg., a distance of 484 miles, a rate of 35 cents applies, while from Los Angeles to Tucson, a distance of 502 miles, the present rate is 76½ cents. It is pointed out that so far as grades, curves, and density of traffic are concerned, the advantage lies with Arizona rather than with Oregon. The suggestion in the record by the carriers that the Oregon rates are influenced by local market competition is replied to with the statement that similar market competition may be found in Arizona as the result of the production of fruits and vegetables in the Salt River Valley of Arizona and in the Verdi Valley in the vicinity of Prescott. Reference is also made to the publication for the Oregon traffic of commodity rates on fruits and vegetables lower than the class-C rates.

One exhibit filed by protestants contains a general comparison of a number of commodity rates on fruits and vegetables to a variety of points with class-C rates to the same points, from which it is argued that commodity rates on this traffic are usually lower than class C. For example, from Springer, N. Mex., to Amarillo, Tex., the Atchison, Topeka & Santa Fe publishes a commodity rate of 45 cents, while its class-C rate between these points is 83 cents.

Another exhibit compares the mileage and rates from Los Angeles to Arizona points with the mileage and rates from Los Angeles to points such as Denver, Colo., New York, El Paso, Tex., and Tacoma, Wash., on shipments of citrus and deciduous fruits and vege-

tables. It shows that the rate on vegetables to El Paso, a distance of 1,098 miles, is 90 cents. This is contrasted with the rates to Hayden and Winkleman, Ariz., for hauls of less than half the distance, which are 93½ and 94½ cents, respectively.

Another table compares the rates from Los Angeles and San Francisco to Arizona points with rates from the same destinations to points in Colorado, Wyoming, Utah, and Montana. The comparison specifically indicated in the briefs is that of rates from Los Angeles and San Francisco to Leadville, Colo., on a 24,000-pound minimum, of 83 and 78 cents, respectively, which are less than rates to some of the representative Arizona points under a 26,000-pound minimum, where the distances are approximately one-third of the Colorado distances.

On the matter of the increase in classification we must hold, for the reasons indicated above in the discussion of the Nevada situation, that the carriers have not justified the proposed change. Consequently the ratings contained in the suspended schedule must be canceled and the old ratings, namely, class C for carloads and fourth class for less than carloads, or commodity rates equivalent to the rates in effect under these ratings at the time the suspended schedule was filed, must be maintained. With reference to the ratings contained in item 6 of supplement 4 to Gomph's tariff, I. C. C. No. 138, effective August 10, 1913, and in subsequent issues of this item, it may be observed that their purpose now seems to be merely to make effective the carload commodity rates, on the basis of the old class-C rates, published in Gomph's tariff No. 8-A, I. C. C. No. 138; consequently, as they effect this result—that is, make the commodity rates applicable—they may be maintained even though as classification ratings they fall within our present prohibition. Item 1 of Gomph's I. C. C. No. 145, however, which as above indicated is, in its increase of the carload classification to fifth class, plainly in violation of the Commission's order of suspension, should be canceled.

This leaves for consideration the various commodity rates which have been established subsequent to the filing of the proposed schedule, which are on the basis of the class rates applicable at that time, or are lower than those rates. The carriers contend that these rates are not in issue and have attempted no defense of them. Whether they are in issue or not we feel that the evidence submitted by protestants is not of the character to warrant a general finding that they are unreasonable. Consequently as rates existing in another form for some time prior to the proposed increase, they should be allowed to stand. This, however, shall be without prejudice to further complaint as to their unreasonableness.

An order in accordance with these conclusions will be entered.

80 I. C. C.

No. 5822.

HAMMERSCHMIDT & FRANZEN COMPANY

v.

CHICAGO & NORTH WESTERN RAILWAY COMPANY
ET AL

Submitted October 15, 1913. Decided April 6, 1914.

Proviso, Ill., a terminal of the Chicago & North Western Railway, within, but on the extreme outer edge of, the Chicago switching district, is an interchange point at which the North Western receives coal from the Indiana Harbor Belt Railroad moving in course of through transportation from points east of the Indiana-Illinois state line to Elmhurst, Ill., a point beyond the Chicago switching district, three miles west of Proviso on the North Western. Upon complaint alleging that the rates from Chicago to Elmhurst are unreasonable and unduly prejudicial, when applied as proportional rates from Proviso to Elmhurst, *Held*:

1. That the relative situation of Elmhurst and Proviso is not different in principle from that presented where competitive points are in close proximity to one another but in groups from or to which different group rates apply.
2. That while carriers may establish common rates to a defined zone or group of points and treat them all as a unit for rate-basing purposes, they do so subject to the inhibitions of the law against creating undue prejudice to points just without or beyond that zone.
3. That the traffic here involved is through traffic, and the reasonableness of rates applicable thereto must be considered in respect to the reasonableness of the through rates in their entirety. So considered, the through rates to Elmhurst are not shown to be unreasonable in themselves, but they are found to be unduly prejudicial against Elmhurst and unduly preferential to Chicago and Proviso.

Bunge, Harbour & Chadwick for complainant.

C. C. Wright and *R. H. Widdicombe* for Chicago & North Western Railway Company.

A. P. Humburg for Illinois Central Railroad Company.

W. L. Harper for New York Central lines.

H. A. Cochran for Baltimore & Ohio Railroad Company.

A. P. Burgwin for Pennsylvania Railroad Company and Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company.

G. H. Kummer for Chicago & Eastern Illinois Railroad Company.

REPORT OF THE COMMISSION.

CLARK, *Commissioner*:

Complainant, a corporation, is engaged at Elmhurst, Ill., in the business of retailing bituminous and anthracite coal, shipped principally from mines in Pennsylvania, West Virginia, and Ohio. Its complaint alleges that defendants' through rates from the producing sections mentioned to Elmhurst are unjust, unreasonable, unduly prejudicial to complainant, and unduly preferential to other coal dealers in the same vicinity. The prayer is for the establishment of just and reasonable rates for the future and reparation on past shipments.

Elmhurst is on the Galena division of the Chicago & North Western Railway, hereinafter referred to as the North Western, 15.5 miles from that company's passenger terminal in Chicago. On the same line, intermediate to Elmhurst and 2.97 miles less distant from the Chicago passenger terminal, is Proviso. For greater convenience these distances will hereinafter be referred to as 16 and 3 miles, respectively. Proviso is a part of the municipality of Melrose Park, a suburb of Chicago, but it is chiefly known as a railroad point. The North Western has repair shops and extensive train yards at Proviso, and connection with the Indiana Harbor Belt Railroad, a belt or switching line, through the medium of which the North Western interchanges traffic with certain southern and eastern lines, including the coal-carrying roads.

The rate to Chicago from the producing section mentioned is stated to be, in most instances, \$2.10 per ton on bituminous coal and \$3.50 on anthracite. On bituminous coal the flat Chicago rate is applicable to Proviso and Melrose Park. On anthracite coal the rate to Proviso is constructed of the flat rate to Chicago plus the North Western's local, or proportional, rate of 40 cents per ton, minimum 60,000 pounds, from Chicago to Proviso, less \$4 per car, regardless of weight, which latter sum is absorbed by the eastern carriers out of their earnings to Chicago.

The Chicago rate does not apply to Elmhurst on either kind of coal, through rates from the mines being made on combination of the flat rate to Chicago plus 50 cents per ton on bituminous coal and 60 cents per ton on anthracite coal. The latter factors are the local rates of the North Western which, when applied to the remainder of the through haul from the mines, are designated proportional rates. No part of the latter rates is absorbed by the carriers up to Chicago.

There are coal dealers located at Proviso and at Melrose Park with whom complainant must compete in the sale of coal to consumers in Elmhurst and vicinity. The excess over the Chicago rate gives rise to the complaint herein and raises, in respect to the rates to Elmhurst,

two issues, which, having regard to their substance rather than their form, may be stated as follows: (1) That the defendants' rates from Chicago and junction points within the Chicago district which take Chicago rates are, when applied as proportional rates from Proviso to Elmhurst on shipments of coal originating east of the Indiana-Illinois state line, excessive, unreasonable, and unjust in violation of section 1 of the act. (2) That by charging to Elmhurst rates higher than to Chicago or Proviso in the amounts mentioned, defendants are subjecting complainant and its coal traffic, and other like traffic to Elmhurst, to undue prejudice and disadvantage, and are giving to dealers at Proviso undue and unreasonable preference and advantage in violation of section 3 of the act.

While the through rates are obviously drawn in issue, complainant has named but two of the originating roads in the region from which the coal is shipped. The coal-carrying roads entering Chicago are made parties as are likewise all the carriers serving Elmhurst. The North Western assumed the burden of the defense.

It is, of course, well known that there is no single fixed point which can be designated "Chicago" for all purposes and for all carriers whose lines reach that city. The designation means, and is understood to mean, as applied to any one of the several lines, either or all of the several terminals and interchange points of that line within certain defined boundary lines of a district commonly called the Chicago switching district, which includes, roughly speaking, a territory about 30 miles long and 15 miles wide. The territory embraced, and the switching arrangements in force therein, were determined and have been worked out largely by the General Superintendents' Association of the terminal carriers. From a more or less chaotic condition formerly obtaining when individual arrangements and independent charges for deliveries to points within this district were published and maintained by each of the terminal carriers there has been evolved what may be called a mutual scheme for effecting switching deliveries within that district. The scheme is based upon a schedule of reciprocal charges under which the terminal carriers switch for one another at substantially uniform rates or charges which are fixed regardless of the extent or cost of the service performed. On general traffic rates published to Chicago from any shipping territory generally apply to private sidings and industrial delivery tracks in that city. The arrangements are published and the district is defined in agent Lowrey's tariff.

This reciprocal arrangement, it should be here remarked, is not applicable to the situation at Elmhurst, neither are the benefits thereof invoked by complainant. It is referred to because it is pertinent in other respects.

The arrangement described applies, as has been stated, to general traffic, but for reasons into the history of which it is not necessary to go at this time the arrangement has not been generally made applicable to shipments of coal, grain, or live stock. The terminal lines' arrangements for the delivery of coal and the charges therefor are published in the tariffs of the individual lines, to which recourse must be had in order to ascertain the rate on coal to points within or beyond the Chicago district.

Generally speaking, it may be said that the district within which switching arrangements on coal, at least on bituminous coal, are in effect, and the charges for which are included in the through rate to Chicago, is determined by the location of manufacturing industries on the lines of individual carriers and embraces what is commonly referred to as "industrial" Chicago. While the limits of this district conform in a general way to those defined in agent Lowrey's tariff applying to general traffic, many variations are made by the lines in their application tariffs, and the switching charges and absorption arrangements are quite dissimilar from those characterizing the arrangement on general traffic.

The theory upon which the carriers thus make the bituminous coal rates apply to industries is that the inbound service is usually compensated by an outbound haul on manufactured products. When, as is frequently the case, receivers or dealers in bituminous coal are likewise located at the same terminals as are manufacturing industries, the rate must, in order to avoid discrimination, be applied to all alike. There are industries taking delivery at Proviso and Melrose Park, therefore coal dealers at those points get the benefit of the rate made applicable because of the location of the industries. There is no manufacturing at Elmhurst, therefore the carriers have not extended the Chicago rate to that point.

It will conduce to a better understanding of the grounds of this complaint if we give to the local situation a somewhat more extended notice than the issues and incidents of this particular case may seem to demand. We need not, however, go beyond the scope of the situation as it affects the North Western and its relation to the traffic involved.

The North Western has three main lines radiating to the north and west of Chicago. The first of these extends to Milwaukee and points beyond. The second or middle one extends in a northwesterly direction into Minnesota and the Dakotas. The third extends in a westerly direction into Iowa and Nebraska. The Galena division, on which Elmhurst is situated, is a part of this latter line. The North Western has, within the Chicago district, several terminals and interchange points at which traffic is received from, and delivered

to shippers or connecting lines, and to or from which in most instances Chicago rates apply on bituminous coal.

Proviso is but one of these several terminals or interchange points. The only roads serving this point are the North Western and the Indiana Harbor Belt. Therefore all commercial coal for Proviso proper must be destined for delivery to receivers or dealers on the tracks of one or the other of those lines. Taken as a terminal or local point within the Chicago district we have seen that the flat Chicago rate applies on bituminous coal to Proviso. When bituminous coal is destined for delivery to a receiver or dealer on the tracks of the North Western at Proviso the latter company, it is understood, receives only a switching charge. This delivery or switching charge of the North Western and the charge of the Indiana Harbor Belt for its haul up to Proviso, which is \$6.50 per car, are absorbed by the coal-carrying roads out of their published rates to Chicago. On the other hand, when anthracite coal is destined for delivery to a receiver or dealer at Proviso, the through rate is made up of the rate to Chicago plus 40 cents per ton, out of which a delivery or switching charge of \$4 is absorbed by the carriers up to Chicago.

When, however, Proviso is taken as an interchange point between the North Western and the Indiana Harbor Belt on coal destined to Elmhurst or other stations beyond, the adjustment of the freight revenue between the participating roads seems to be somewhat different than on a shipment to Proviso proper. Rates to points beyond the artificial boundary line of the Chicago district are made by combination of the rates to and from Chicago. Although Proviso, the actual point of interchange, is distant only three miles from Elmhurst, it is, for rate-basing purposes, regarded as though it were a terminal in Chicago proper, 16 miles away, and accordingly the North Western applies for the haul to Elmhurst or other stations beyond its published rates from Chicago. These rates are not net to the North Western, however, for on traffic destined beyond Proviso the North Western, out of its revenue, joins in paying the charges of the Indiana Harbor Belt to the extent of \$3 per car, while the carriers up to Chicago absorb the other part, or \$3.50 per car.

The rates charged by the North Western from Proviso on coal destined to Elmhurst or other stations beyond are those published in a tariff designated as "Local, joint and proportional freight tariff, naming rates on coal and coke, carloads, from Chicago," etc., to stations in Illinois, Iowa, and other states. The tariff names, however, but one rate on anthracite and one rate on bituminous coal from Chicago to Elmhurst. These rates apply alike on coal originating at Proviso and all other points in the Chicago district at which the North Western receives coal, including its interchange

points, terminals, and docks at which "ex-lake" or "dock" coal is received. In other words, the rate applicable on either kind of coal is a local rate or a proportional rate, according to whether the traffic is local or through.

From all terminals and interchange points in the Chicago district at which the North Western receives coal the rate to Proviso, local or proportional, is 20 cents per ton on bituminous and 40 cents per ton on anthracite coal. On traffic moving through Proviso to Elmhurst the North Western applies, as a local or proportional beyond, the full local or proportional rate published from Chicago; that is, 50 cents per ton on bituminous and 60 cents per ton on anthracite. It may be stated that the record discloses no shorter haul under the local or proportional rate from Chicago than this 3-mile haul from Proviso to Elmhurst. This situation it is which gives rise to complainant's contention that the rate from Proviso, being in fact a proportional rate for the remainder of a through haul, should be somewhat less than the full local rates published to apply from Chicago proper.

The North Western's tariff naming these rates also includes the Illinois scale of distance rates on coal, with the provision that if the use of such rates makes a lower charge on any shipment than the specific rates shown in the tariff, such lower charge will apply. The rates applicable for the distances here in question are as follows in cents per ton:

From—	To—	Miles.	Bituminous coal.	Anthracite coal.
Chicago (North Western passenger terminal)	Proviso	13	45	80
Do	Elmhurst	16	50	84
Proviso	do	3	27	48

It will be seen that for the distances in question the distance rates, except from Proviso to Elmhurst, are in each instance the same as or greater than the specific rates. Under the application of the tariff, specific and distance rates are applicable from Proviso to certain destinations on the North Western in Illinois and Wisconsin, but such destinations do not include Elmhurst or the stations immediately beyond.

Complainant receives each year about 100 cars of anthracite coal and from 20 to 25 cars of bituminous coal, all handled by the North Western in regular local freight trains from Proviso. This coal comes from points in the states named and moves, not through Chicago proper, but through the outskirts of the city via the Indiana Harbor Belt Railroad to Proviso, where it is delivered to the North Western for the final haul to Elmhurst. The distance from the west-

ern limits of the Proviso yard to Elmhurst is not more than 1 mile. It should be stated that complainant is apparently under a misapprehension as to the application of rates on anthracite coal in which it mostly deals. The Chicago rate, as we have seen, does not apply to Proviso on anthracite coal.

It is alleged as evidence of the comparative unreasonableness of the coal rates that defendant North Western hauls feed from its Chicago terminals to Elmhurst at a rate of 38 cents per ton, but we find upon reference to the tariffs no such rate applicable to interstate traffic. The coal rate is also compared with a rate of 3 cents per 100 pounds on lumber, minimum charge \$15 per car, alleged to be applicable from Chicago terminals to Elmhurst, out of which the North Western absorbs switching charges as high as \$6. We do not, however, find any such rate on file with this Commission. Complainant contends that the rates applied from Proviso to Elmhurst are unreasonable for the 3-mile haul when compared with the application of like rates from the more distant points in Chicago and as compared with the lower rates from Chicago to Proviso. That furthermore the rates complained of are unreasonable by comparison with the rates applicable under the Illinois distance tariff.

Upon brief, complainant also lays considerable stress upon the findings of the Railroad & Warehouse Commission of Illinois, following an investigation by that commission into the reasonableness of proposed increases in the rates on bituminous coal from certain producing points in southern Illinois to Chicago, Peoria, and other northern Illinois points. The rates sought to be increased ranged from 75 cents per ton for a haul of 191 miles to 98 cents per ton for a haul of 497 miles. The carriers proposed to increase these rates 10 to 12 cents per ton. After thorough investigation the Illinois commission decided that the roads were entitled to somewhat higher rates and allowed a uniform increase of 7 cents per ton. Under the increased rates the revenue per ton-mile was 4.3 mills for a haul of 191 miles and 2.1 mills for 497 miles. It should be stated that the state commission's investigation covered the roads hauling coal from producing points in southern Illinois and did not include an investigation of the service on the North Western. Complainant's witness compares the revenue per ton-mile under the approved state rates with the revenue per ton-mile yielded by defendant's rates for the service actually rendered here—that is, for the haul from Proviso to Elmhurst—and shows that after deducting the switching charge paid by the North Western to the Indiana Harbor Belt for the haul to Proviso the remainder of the charge from Proviso to Elmhurst yields, per ton-mile, 14.3 cents on bituminous coal and 17.9 cents on anthracite coal.

But complainant, in thus comparing the per-ton-mile revenue yielded by the state commission's rates for 497 miles over the lines of other carriers, alleges, on brief, that the North Western's rates yield forty times more revenue per ton-mile on bituminous coal and fifty times more revenue on anthracite coal than the rates established by the Railroad & Warehouse Commission of Illinois as reasonable. The comparison gives no consideration to the circumstances and conditions of transportation from southern Illinois mines, which are obviously different from those attending the transportation from Proviso to Elmhurst. Furthermore, it wholly ignores the principle that the revenue per ton-mile ordinarily decreases as the distance increases. Upon a short haul the per-ton-mile test has, as a rule, very little evidentiary value. Under the circumstances of the instant case it has no value.

Perhaps the most satisfactory test of reasonableness that can be applied to the rates here attacked results from an examination of the per-car revenues. The minimum carload weight under the tariff is 60,000 pounds, and the rates of 50 cents on bituminous and 60 cents on anthracite coal yield minimum per-car revenues of \$15 and \$18 per car, respectively. The usual loading is considerably in excess of these figures and the average per-car revenue correspondingly higher. From the gross per-car revenue we must deduct \$3 per car paid by defendant to the Indiana Harbor Belt for the haul to Proviso. If we view the net per-car revenue as accruing for a switching service it seems high, and is high, compared with the per-car revenue on other traffic. If we view it as revenue accruing for a line haul, which defendant insistently contends it is, then the minimum per-car-mile revenue, after deducting the charge for the Indiana Harbor Belt, is equivalent to \$4 and \$5 per car-mile, respectively.

Complainant's coal business consists principally in retailing anthracite coal. It sells coal 3 or 4 miles to the west of Elmhurst, its nearest competitor in that direction being at Lombard, Ill. It can not sell coal to the east because of the advantage which dealers at Proviso and Melrose Park have in the rate. Complainant's witness testified that anthracite coal is bought at a track price f.o.b. Chicago; that is, that it is the custom to deduct from the invoice price of the coal the freight charge up to Chicago, the remainder of the through rate from the mine or the rate from Chicago must be added to the cost to the local dealer. He testified that when the delivered price of anthracite coal was \$6.75 per ton at Chicago it cost complainant, taking into consideration the 60-cent rate from Chicago, \$7.35 to put it in the yard at Elmhurst. The anthracite coal, the cost of which is figured on this basis, as we understand the testimony, is retailed by

the Proviso dealer at \$8 per ton, which includes delivery within a radius of about 3 miles. Complainant retails and makes delivery at \$8.25 per ton. The estimated cost of making delivery is 50 cents per ton within the 3-mile radius.

The Proviso dealer must pay on anthracite, in addition to the Chicago rate, 40 cents per ton. Out of the resulting freight charge \$4 per car is absorbed regardless of weight. If we assume the average weight per car to be 80,000 pounds, the net rate to the Proviso dealer would be about 30 cents per ton on anthracite. Adding to the Chicago price of \$6.75 per ton 30 cents for freight and 50 cents for delivery expenses would seem to leave the Proviso dealer a profit of about 45 cents per ton. Computed on this basis, complainant, if it met the price made by the Proviso dealer, would have but 15 cents per ton profit. But it retails at \$8.25, and its profit would seem, therefore, to be about 40 cents per ton.

It appears in the testimony of this case and in others that have been before us that it is the practice of producers or wholesalers of anthracite coal to equalize the prices within certain zones or districts according to the consumption or what is called weighted average. Defendants' witness testified that it was his understanding that Proviso was one of the points at which the Chicago delivery price was equalized on anthracite coal. It is possible, therefore, that complainant's competitor at Proviso does get his coal at the flat Chicago rate and that his profit is accordingly greater than our estimate by 30 cents per ton; but, if so, it is not by reason of any application of the Chicago rate basis by the carriers.

The basis is different with respect to bituminous coal. The carriers, as we have seen, make the Chicago rate apply to points within "industrial" Chicago. By virtue of this arrangement Proviso gets its bituminous coal at the Chicago rate, while complainant at Elmhurst must pay 50 cents per ton additional. Complainant's witness testified that it felt the competition of Proviso in the sale of bituminous coal, but the testimony as to the extent of this competition is not very satisfactory. Complainant's witness did not know at what prices the Proviso dealer sells bituminous coal, neither did he know with respect to either bituminous or anthracite coal how much the Proviso dealer sells or to what extent the competition affected his own sales in Elmhurst.

While the complaint in this case charges that the through rates to Elmhurst are unreasonable, in violation of section 1, we regard that allegation more as a formal one. The real issue, as we view it, and as was practically conceded at the hearing, is one of alleged undue discrimination or undue preference in the through rates to Proviso

and Melrose Park as compared with Elmhurst. The practical question is: Do the carriers in their through rates unduly discriminate against Elmhurst or unduly prefer Proviso; if so, what is the measure of that undue discrimination and preference?

Complainant does not ask that Elmhurst be put on the Chicago basis. It admits that the through rates to Elmhurst should be somewhat higher than to Proviso, and suggests that that difference should not exceed 15 cents on bituminous coal and 20 cents on anthracite coal.

Defendants argue that in constructing through rates to points beyond Chicago, on coal moving through that gateway, it is not proper, nor was it ever intended, that the through rates from the mines to the points beyond Chicago should be constructed by using as a basing point the farthest point or terminal in the Chicago district to which, under the tariff naming the inbound rates, the Chicago rate is applicable. In support of this contention they recite the restrictions of one of the tariffs providing for the application of the Chicago rates within the bounds of the Chicago switching district. In this tariff, which is said to be indicative of the general provisions of all, it is provided that the absorptions authorized and necessary to make the Chicago rate apply to the various terminals shall apply only on traffic unloaded from the cars at such points.

Defendants say if, as an illustration, Proviso, being a point within the Chicago district to which in the regular order of things Chicago rates apply, is to be made a basing point and through rates constructed on it to Elmhurst, because of the proximity or short distance from Proviso to Elmhurst, then the Commission would have to apply the same principle in constructing through rates on coal moving to a point in the north beyond the Chicago district to which the distance from Proviso would be greater than the Chicago distance—that is to say, as we understand it, where the distance from Proviso would be greater than from some other terminal or interchange point in Chicago.

Such a principle of rate construction on traffic moving through the Chicago gateway would, defendants argue, upset the entire adjustment between all points east, north, south, and west where the traffic originated at a point on one side of the district and moved through or around the district to a point on the other side.

Such a method of constructing the through rate would mean, defendants' witness testified, that Des Plaines, the most extreme point on the North Western in the Chicago district would become a basing point on traffic moving through that junction to points beyond, and that on traffic moving to the south or east the rate would, under the North Western's application of the Chicago rate, break on Indiana

Harbor or Ivanhoe, Ind., which are points in the extreme southeastern part of the Chicago industrial district. "It would mean," asserts this witness, "that where a junction point happened to be on the outer rim of the Chicago district and near to the destination a lower combination of rates would be figured to that destination than in connection with another combination of lines where the junction points were in the opposite direction and away from the destination point."

The questions here presented are not different in principle from those which have come before us in cases involving the relationship of rates between points in one group as compared with rates from near-by points in another group taking lower rates. In *Southwestern Missouri Millers' Club v. M., K. & T. Ry. Co.*, 22 I. C. C., 422, 424, it was said:

This Commission has often considered the propriety of group rates, having sometimes approved and sometimes disapproved of existing groups. Its action has often been influenced by the fact that existing groupings were highly satisfactory both to the shippers and to carriers. We have always recognized that in the application of group rates a discrimination of necessity arose between the near and the far edge of the group; but have felt that in many cases this discrimination was not undue and therefore not unlawful.

Whether, under the circumstances of such an adjustment, the discrimination or preference is undue is one of fact to be determined from all the circumstances of the particular case. *Muskogee Traffic Bureau v. A., T. & S. F. Ry. Co.*, 17 I. C. C., 169, 173.

Defendant states that there must be some point at which the extension or application of a rate must stop, and that is obviously true; otherwise, taking the present instance, the Chicago rate would be extended indefinitely.

The Chicago switching district viewed as a zone or group of points to which common rates apply rests more upon commercial and business requirements than upon transportation conditions. The reciprocal interchange arrangement in that district is highly commendable in many respects. It makes for efficiency and expedition in the movement and interchange of carload traffic. It is advantageous to the public and the carriers alike. The tariff situation under which it is now possible to ascertain and determine the application of rates and charges with facility and certainty is a great improvement over former conditions.

But while the group or zone principle of rate making is often of mutual advantage to shippers and carriers and will not ordinarily be disturbed where the rates are reasonable and nondiscriminatory, yet the relative situation of contiguous points can not be wholly disregarded in rate making without incurring the risk of creating unjust

discrimination or advantage to the favored points. Carriers may lawfully make a rate applicable to a group of points within a defined zone and treat them all as one point for rate-basing purposes, but the proximity of points just without or beyond this zone can not be ignored when the question of through rates to the latter points comes up for consideration. Elmhurst, because of its proximity to Proviso, and with respect to its position from a geographical and transportation standpoint, might in this instance appear to be entitled to rates but slightly, if any, higher than those to Proviso. In *Gilmore & Co. v. C. & N. W. Ry. Co.*, 25 I. C. C., 403, we fixed for an additional haul of $1\frac{1}{2}$ miles from Ravenswood to Rose Hill, both points within the Chicago district, a charge of 5 cents per ton, minimum \$2 per car above the Ravenswood rates. Applying the same ratio to the distance from Proviso to Elmhurst would result in a rate 10 cents higher than the rate to Proviso, with a minimum of \$4 per car. The circumstances are different in the two cases, however, and the finding in the *Gilmore case* affords no controlling reason for the establishment of a rate from Proviso to Elmhurst based on that ratio.

We are not insensible to the circumstances and conditions which have determined the boundaries of the Chicago switching district, but we do believe that the adjustment of rates here in question results in undue preference to Proviso and disadvantage to Elmhurst. We do not see, in the light of this record, that the removal of the discrimination presents any insuperable difficulties, nor do we believe that the removal necessarily entails the dire consequences predicted by the defendants' witness. Considered as a local movement from Proviso to Elmhurst, the North Western would be entitled to reasonable compensation for the service rendered by it and to no more. If the haul from Proviso be viewed as a part of the through haul from the mines to Elmhurst the through rate must be considered as an entirety. The traffic in question is through traffic and must be so considered regardless of the manner in which the through rate is constructed. The plain, unmistakable requirement of the law is that this through traffic shall be subject to just, reasonable, and nondiscriminatory through rates.

The circumstances and conditions of transportation to Proviso are not dissimilar in any physical sense when the traffic is destined for local delivery than those attaching when it is destined beyond. It is not contended that the short haul from Proviso to Elmhurst is comparable either in cost of service or operating difficulties with that from terminals in Chicago proper, from which the haul would be through a more congested district. It is obvious, too, that the through rate to Elmhurst must be the same through whatever point interchange is effected. We can not upon the evidence find that the

through rates as such are unreasonable, but no justification is shown upon this record for so wide a difference as exists in the through rates from mines to Proviso and Elmhurst.

Upon all the facts of record we are of the opinion and find that the present through rates from mines in Pennsylvania, West Virginia, Ohio, and Kentucky to Elmhurst are unduly prejudicial to Elmhurst and unduly preferential to dealers in Proviso and Melrose Park, to the extent that the rates to Elmhurst exceed the rates applicable to Chicago by more than 45 cents per ton on anthracite coal, or by more than 35 cents per ton on bituminous coal, via any junction point in the Chicago district. It may be that the practice of the wholesalers of anthracite coal in equalizing the delivered price on anthracite coal in the Chicago district will deprive complainant of the full benefit of the difference in the published rates as herein prescribed, but that is a matter over which we have no control. We can not undertake to equalize complainant's commercial disadvantages in this respect, and even should we attempt to do so the coal operators could nullify the results by a change in their practices.

Complainant asks for reparation, but the record does not establish that any specific damage or injury has been suffered by it. Furthermore, we are prescribing a new adjustment of rates. It will doubtless affect other points than those here involved. We do not find that up to the present time the rates have been unreasonable and adhering to our rulings in former cases no reparation should be awarded. *Warnock & Co. v. C. & N. W. Ry. Co.*, 21 I. C. C., 546, 557; *New Pittsburgh Coal Co. v. H. V. Ry. Co.*, 26 I. C. C., 121, 125; *Youngstown Sheet & Tube Co. v. P. & L. E. R. R. Co.*, 27 I. C. C., 165, 168; *Iowa Cities case*, 28 I. C. C., 64, 76.

The Indiana Harbor Belt Railroad is not a party defendant. Neither have we before us all the coal-carrying roads originating or participating in the transportation of this traffic and we could not, therefore, make an order upon this record requiring the establishment of joint through rates.

Notwithstanding what has been said in respect to the local situation it should be understood that we have not considered this case from the standpoint of local transportation of interstate traffic from Proviso to Elmhurst, but as through transportation. What we have said apropos of absorptions and divisions was by way of description and is not to be construed as expressing any view as to how much the North Western might properly receive for its part of a reasonable through rate for the through haul. We think that joint through rates from the mines, or a specific basis of proportional rates to and from Chicago, can be established to Elmhurst which will give effect to our findings herein without disturbing the rate adjustment in the

Chicago district. We shall leave defendants to make the readjustment in whatever way they prefer upon condition that the rates herein found reasonable and nondiscriminatory be established within 60 days. If this is done an order will be entered discontinuing this proceeding. If not done the Commission will take such further action as may seem necessary in the premises.



No. 5912.

LOMBARD BRICK & TILE COMPANY ET AL.

v.

CHICAGO & NORTH WESTERN RAILWAY COMPANY
ET AL.

Submitted October 25, 1913. Decided April 6, 1914.

Following *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.*, ante, page 71:
Held, That defendants' rates for the through transportation of coal and coke from points east of the Illinois-Indiana state line to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill., are unduly prejudicial to those points and unduly preferential to Chicago and Proviso, Ill., in the amounts stated herein.

Bunge, Harbour & Chadwick for complainants.

C. C. Wright and *R. H. Widdicombe* for Chicago & North Western Railway Company.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

W. W. Collin, jr., for New York Central lines.

R. V. Fletcher for Illinois Central Railroad Company.

A. P. Burgwin for Pennsylvania Company and Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company.

C. B. Curdy for Chicago & Eastern Illinois Railroad Company.

W. F. Peter for Chicago, Terre Haute & Southwestern Railway Company.

W. A. Holley for Chicago, Burlington & Quincy Railroad Company.

REPORT OF THE COMMISSION.

CLARK, *Commissioner*:

Each of the complainants herein is engaged in the business of retailing anthracite and bituminous coal and coke, their respective

places of business being at Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill. The points named are all on the Galena division of the Chicago & North Western Railway, hereinafter styled the North Western, immediately to the westward of Chicago, at distances of 20, 22½, 24.9, and 30 miles, respectively.

By joint complaint they allege that defendants exact, for the transportation of anthracite and bituminous coal and coke from points east of the Illinois-Indiana state line to the said destinations in Illinois, through rates based upon the sums of the intermediate rates, made up of the rates to Chicago plus the local or proportional rates applicable from Chicago to the respective points of destination named, and that the said local or proportional rates are excessive, unjust, and unreasonable, in violation of section 1 of the act. The complaint further alleges that to Proviso, Ill., a point also on the Galena division of the North Western, distant 13 miles from Chicago, within the so-called Chicago switching district and intermediate to the complaining points herein, defendants apply the Chicago rate; that by reason of this fact, while charging their present rates to Lombard, Glen Ellyn, Wheaton, and West Chicago, defendants subject complainants and their traffic, and other like traffic in coal and coke to the destinations in question, to undue and unreasonable prejudice and disadvantage, and give to Proviso and shipments thereto undue and unreasonable preference and advantage. The prayer is for the establishment of just and reasonable rates for the future and reparation on past shipments.

The North Western has extensive train yards at Proviso, where it connects with the Indiana Harbor Belt Railroad, the latter carrier being a switching road through the medium of which the North Western receives most of the coal and coke traffic moving from the east to points on its line west of Chicago. The anthracite coal handled by complainants originates in Pennsylvania. The bituminous coal and coke, or such part thereof as is covered by the complaint, is shipped chiefly from mines and ovens in Kentucky and West Virginia. No joint rates are published from these eastern shipping points to the destinations in question, but through rates are made by combination of the rates to Chicago plus the rates from Chicago to the respective destinations.

Coal and coke from the producing territory mentioned is, in some instances, delivered by the eastern lines to the North Western at Fortieth Street, in Chicago, but the greater part of it is delivered to the North Western at Proviso, Ill., to which point it is forwarded, as stated, over the lines of the Indiana Harbor Belt Railroad. The traffic is handled from Proviso in regular local freight trains, from which junction point the North Western applies, as the local or pro-

portional rates beyond, its published rates from Chicago proper. The rates per ton from Chicago to Proviso and to the destinations in question, together with the respective distances from the North Western's passenger terminal in Chicago and from Proviso may be readily seen from the following table:

To—	From Chicago.	From Proviso.	Anthracite coal.	Bituminous coal.	Coal.
	<i>Miles.</i>	<i>Miles.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
Proviso.....	12.8	.....	¹ 40	(²)	(²)
Lombard.....	20	7.17	65	50	50
Glen Ellyn.....	22.5	9.67	65	54	54
Wheaton.....	24.9	12.12	65	54	54
West Chicago.....	30	17.22	65	58	58

¹ Less \$4 per car absorbed regardless of weight.

² Chicago rate.

Three miles west of Proviso, and between it and Lombard, is situated the town of Elmhurst. In *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.*, ante, page 71, we had before us the question of the lawfulness of the rates on anthracite and bituminous coal from the same general originating territory here involved to Elmhurst. The complainant in that case alleged that the through rates from points of origin to Elmhurst, and the proportional rates from Chicago when applied from Proviso to Elmhurst on interstate traffic, were unreasonable and unduly prejudicial to Elmhurst and preferential to Proviso. In that case we could make no finding that the rates to Elmhurst were unreasonable, but we held that they were unjustly prejudicial to Elmhurst and unduly preferential to Proviso.

The through rates to Elmhurst are constructed in the same manner as the rates here in question—that is, by adding to the rate up to Chicago 60 cents per net ton on anthracite and 50 cents per net ton on bituminous coal. We there held that the through rates from the mines to Elmhurst should not exceed those to Chicago by more than 45 cents per net ton on anthracite and 35 cents per net ton on bituminous coal, and directed the defendants to readjust their tariffs accordingly.

The same character of evidence was introduced by complainants to support their contentions in this case as was introduced by complainant in the *Hammerschmidt & Franzen Co. case*, supra, except that some additional comparisons were made, the purport of which was to show that the local or proportional rates, as stated in the table above from Chicago to the points here in question are unreasonable in and of themselves, and also by comparison with rates applying on certain other commodities when shipped from Chicago to these respective points of destination. In the view that we take of this case, however, and for reasons stated in the *Hammerschmidt & Franzen Co. case*, the only question of reasonableness properly before us in this

proceeding is that appertaining to the through rates for through transportation from the mines to Lombard, Glen Ellyn, Wheaton, and West Chicago. The comparisons made and the arguments advanced by complainants in respect to the alleged unreasonableness of the rates from Chicago to the destinations mentioned are unavailing to complainants in any substantial degree because the circumstances and conditions underlying them are not shown of record, nor does it appear that they apply as proportional rates on through traffic from points east of the Illinois-Indiana state line.

The circumstances and conditions of transportation to the points involved in this complaint are, so far as appears of record, substantially similar to those attending the transportation of like traffic to Elmhurst, except in the following particulars: First, the distances from Chicago and Proviso are greater by from 4 to 14 miles; second, the undue discrimination found to exist between Proviso and Elmhurst is less acute as between Proviso and the points here involved, and must become less marked as the distance from Chicago and points taking the same rate increases.

The record in the *Hammerschmidt & Franzen Co. case* was stipulated into the record of this case, and full consideration has been given to all the facts and circumstances appearing in the record of both cases. Nothing appears which convinces us that the findings in the former case should not be applied in principle to the questions here presented.

The record in this case discloses that the territory in which complainants sell coal is circumscribed, being mostly within a radius of 2½ miles. It is admitted by witnesses for complainants that there is little or no competition between the complaining towns. The rate to Lombard, 4 miles west of Elmhurst, is 5 cents per ton higher on anthracite coal than to Elmhurst, while the rates on bituminous coal and coke are the same to both points. This relationship appears to be satisfactory, and no reason appears why it should be disturbed, but we think the through rates to all these points should be so reduced as to bring them in line with the through rates required to be established to Elmhurst. This means that the through rates from the mines on both anthracite and bituminous coal should be reduced 15 cents per net ton to Lombard, Glen Ellyn, and Wheaton. To West Chicago, however, by reason of the increased distance from Chicago rate points, the rates need not be reduced by more than 10 cents per ton.

The complaint embraces the rates on coke, but it does not appear that these rates are the subject of serious complaint, since practically none is shown to be shipped to complainants. Defendants must, however, in the readjustment herein prescribed keep the coke rates properly aligned with the rates on bituminous coal.

It is our opinion, therefore, and we so find, upon consideration of all the facts of record, that the through rates from points east of the Illinois-Indiana state line on anthracite and bituminous coal to Lombard, Glen Ellyn, Wheaton, and West Chicago are unduly prejudicial to the latter points, and unduly preferential to Chicago and Proviso, to the extent that they exceed the rates to the latter points by more than the following amounts on the different kinds of coal and coke, to wit: On anthracite coal, to Lombard, Glen Ellyn, and Wheaton, 50 cents; to West Chicago, 55 cents. On bituminous coal, to Lombard, 35 cents; to Glen Ellyn and Wheaton, 39 cents; to West Chicago, 48 cents.

Following the *Hammerschmidt & Franzen Co. case, supra*, no reparation will be awarded.

We shall leave defendants to make the readjustment along the lines suggested in *Hammerschmidt & Franzen Co. case*, upon condition that the rates herein found reasonable and nondiscriminatory be established within 60 days. If this is done an order will be entered dismissing this proceeding. If not done the Commission will take such further action as may seem necessary in the premises.

30 I. C. C.

No. 4762.
POEHLMAN BROTHERS COMPANY
v.
**CHICAGO, MILWAUKEE & ST. PAUL RAILWAY
COMPANY.**

Submitted October 26, 1912. Decided April 6, 1914.

Defendant's rate of 40 cents per ton, applicable from Galewood, Ill., to Morton Grove, Ill., on interstate shipments of coal received from connecting lines at the former point not shown to be unduly discriminatory or prejudicial. The traffic involved is through traffic. The through rate is not drawn in question, nor are the participating carriers made defendants. The Commission therefore declines to express any opinion upon the question of the reasonableness of the rate under attack. Complaint dismissed.

M. F. Gallagher for complainant.

O. W. Dynes for defendant.

REPORT OF THE COMMISSION.

CLARK, Commissioner:

Complainant corporation is engaged in the business of growing flowers and plants, and has extensive greenhouses at Morton Grove, Ill., whence it delivers flowers and plants in the city of Chicago and vicinity, and distributes to other points throughout the country. The complaint involves defendant's rate for the transportation of bituminous coal from Galewood, an interchange point and train yard of defendant within the Chicago switching district, to Morton Grove. This rate, which is 40 cents per net ton, is alleged to be unreasonable and unjustly discriminatory.

Morton Grove is on the Milwaukee division of defendant's railroad, about 3 miles beyond the corporate limits of Chicago, and about 5 miles beyond defendant's Chicago switching limits. It is about 12 miles from Galewood, at which interchange point defendant receives coal from connecting lines. The traffic in question is moved from Galewood about 3 miles eastwardly to Pacific Junction, whence it is transported about 9 miles to Morton Grove.

Complainant uses about 30,000 tons of bituminous coal annually, of which, as it appears from the record, about 75 per cent comes from West Virginia or other producing sections east of the Illinois-Indiana state line. There are no joint rates from the producing section to Morton Grove, through rates being constructed by the combination

of rates to and from Chicago. On coal moving from West Virginia mines the rate to Chicago is \$2.05 per net ton. This rate applies to Galewood. No part of the 40-cent rate from Galewood to Morton Grove is absorbed by the lines up to Chicago, and the through rate from West Virginia mines is, therefore, \$2.45 per ton. The rate to Morton Grove includes switching and delivery on complainant's sidetracks.

Complainant alleges that it is unjustly discriminated against by reason of the fact that other florists in the same vicinity enjoy lower rates. It appears from the record that within a radius of 25 miles of Chicago there are numerous growers of flowers, with whom complainant is in competition. These competitors are located, however, chiefly upon the lines of the Chicago & North Western Railway Company, at Park Ridge, Des Plaines, Maywood, Oak Park, Weber and Greenwood avenues. All these points are in Cook county, Ill., and are accorded the Chicago rate on coal, although some of them are more distant from the Chicago transfer point than Morton Grove is from Galewood. To the following points on defendant's line in Cook county, Ill., a rate of 20 cents per ton applies on coal from Galewood: Mayfair, distance 7 miles, and Grayland, distance 5.9 miles, which are points intermediate to Morton Grove. Other points to which the 20-cent rate applies are Fullerton avenue, 7.3 miles; Addison street, 8.8 miles; Deering, 7.7 miles; Buena Park, 9.6 miles; and Division street, 7.8 miles. Of this 20-cent rate the originating carriers absorb \$4 per car of 30 tons and 10 cents per ton for all weight in excess of 30 tons.

It does not appear, however, that there are any florists receiving coal at any of the last-mentioned stations; in fact, it appears from the record that there are no growers of flowers on defendant's line who receive coal under the same circumstances and conditions as complainant who have a lower rate than complainant. It is shown that some other growers of flowers pay a lower rate to the point at which their coal is delivered, but they are located within the Chicago switching limits on the line of the Chicago & North Western and are served by that carrier and not by defendant.

Complainant contends that the rate of 40 cents is unreasonable to the extent that it exceeds 10 cents per ton. In support of this contention it compares the rate of which complaint is made with the rates to points within the Chicago switching district, which rates or the charges accruing thereunder, are usually absorbed, in whole or in part, by the carriers up to Chicago. Comparison is also made with the rates to the other points mentioned on defendant's line in Chicago, to which, as stated, the rate is 20 cents per ton, out of which the lines up to Chicago absorb \$4 per car of 30 tons and 10 cents per

ton on all weight in excess of 30 tons, so that to the latter points the net rate is about 10 cents in excess of the rate to Chicago. Complainant also compares the 40-cent rate to Morton Grove with the rates in effect from Chicago junctions to points on other lines.

Defendant contends that the 40-cent rate to Morton Grove covers a line haul, and for that reason is not fairly comparable with reciprocal switching charges or with ordinary switching charges which apply to industries at some of the points with which complainant makes comparison; that reciprocal services usually result in mutual benefits to the carriers participating therein and in which the public is not directly interested, and which are not susceptible of measurement in dollars and cents on the basis of tonnage and distance. It argues that the Illinois distance tariff rate, which is 45 cents per ton for 10 to 15 miles, is a better and more reasonable comparison to make with the rate to Morton Grove.

Defendant contends that Mayfair and Grayland are within its own Chicago switching limits, and that therefore the rates to those points should not be compared with the rates to points outside of such limits. Complainant, however, is not asking that the switching limits be extended to include Morton Grove. Its charge is that the local rate of 40 cents per ton is, when applied to interstate shipments, unreasonable and unduly prejudicial. The evidence shows that cars of coal consigned to complainant are brought to its plant by regular local freight trains which pass Morton Grove daily. It is not shown that other or different service is required than at Mayfair or Grayland. The record contains no evidence as to the cost to defendant of moving coal from Galewood to Morton Grove, and defendant states that it is impracticable to make any estimate of such cost. It is shown that the movement is through a congested section of the city and over a portion of line that carries very heavy tonnage. The same is true, however, of deliveries of coal to Buena Park, Edgewater, and other points on defendant's Evanston division which receive coal from Galewood.

Complainant has made the delivering line the only defendant herein. It asserts in its petition that a just and reasonable rate for the haul from Galewood to Morton Grove would not exceed 10 cents per ton. Its witness testified at the hearing that it was not asking that Morton Grove be brought within the Chicago switching district "at this time." Assuming that the published rate from Galewood to Morton Grove measures the full amount of revenue which is, or would be, received for the service and that the average car of coal weighs 40 tons, or even 50 tons, defendant, under the rate which complainant asserts would be just and reasonable, would receive not more than \$5 per car for the service, or less than its reciprocal switching charge.

While, as stated, only the delivering line is made a party defendant, the comparisons made by complainant are nearly all with respect to through rates, or factors of through rates, from points of origin to destinations within, or just beyond, the Chicago switching district. The adjustment of rates within this general district is an exceedingly complex one. Ordinary prudence dictates that we should not prescribe a change in this adjustment, or require a reduction in any specific rate therein, except after careful examination of all the facts, both with respect to the rate itself and also its relation to the general adjustment.

Upon the record it clearly appears that complainant is not discriminated against by defendant.

The traffic in question is through traffic. The rate specifically attacked, although a separately established rate of the delivering line, can not be considered entirely apart from its relationship to the through rate for the through haul from interstate points of origin. Some regard must be had to the measure of the through rate as an entirety, and neither the through rate nor the carriers responsible for it and participating in it are before us in this proceeding.

Considering the absence of evidence as to the reasonableness of the through rate, and the unsatisfactory evidence as to the separately established rate under attack, we must refrain from expressing any conclusion upon the reasonableness of either rate. The complaint must be dismissed, and it will be so ordered.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 286.
WHEAT RATES FROM OKLAHOMA POINTS TO MEMPHIS,
TENN., AND OTHER POINTS.

Submitted March 5, 1914. Decided April 14, 1914.

Proposed increased rates on wheat and grain products taking the same rates, from points in Oklahoma to Memphis, Tenn., not justified.

Wallace T. Hughes and *W. F. Dickinson* for Chicago, Rock Island & Pacific Railway Company and Chicago, Rock Island & Gulf Railway Company.

Thomas Bond for St. Louis & San Francisco Railroad Company.

Charles Ripplin for Merchants' Exchange of St. Louis.

W. V. Hardie for Oklahoma Traffic Association.

C. V. Topping for Southwestern Millers' League.

Geo. A. Henshaw and *L. Bennett* for Corporation Commission of Oklahoma.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

The Chicago, Rock Island & Pacific Railway Company and the St. Louis & San Francisco Railroad Company, by tariffs filed to become effective July 31 and September 8, 1913, respectively, seek to increase the rates on wheat and grain products taking the same rates, approximately 2½ cents per 100 pounds from points in Oklahoma west of Oklahoma City to Memphis, Tenn., and points taking the Memphis rate. Upon protests filed by the Corporation Commission of Oklahoma, the Oklahoma Traffic Association, and the Southwestern Millers' League these tariffs were suspended until May 28, 1914. The protests were practically all filed in the interest of the Oklahoma millers.

At the present time most of this Oklahoma wheat moves to Memphis under a blanket rate of 20 cents per 100 pounds. A few points outside the blanket territory take slightly higher rates. Under the suspended tariffs it is proposed to divide the state into two sections and to increase the rate to 22½ cents from points west of Oklahoma City, not disturbing the rates from the other part of the state, except to grade a few points up to the increased rate. The present rates have been in effect since August 26, 1908, except from a few points located on originating lines other than respondents'. The Chicago, Rock Island & Pacific Railway, hereinafter referred to as the Rock Island,

is the short line to Memphis by approximately 100 miles, and it has taken the active part in assuming the burden of justifying this increase.

When the Choctaw, Oklahoma & Gulf, now a part of the Rock Island, first operated from Oklahoma points to Memphis, the record shows it published a 17-cent rate on flour to the Memphis gateway. Several years later this rate was increased to 20 cents, and subsequently the rates were made as high as 25 cents from some points but the majority of the rates were not increased above 22½ cents. This adjustment caused many complaints, and a conference was held which was participated in by the attorney general of Oklahoma, the millers, and the representatives of the carriers. It was agreed at that conference that the rates were too high, and as a result the 20-cent blanket rate which was asked for by shippers was established by both the Rock Island and the St. Louis & San Francisco from all points in Oklahoma, with the few exceptions heretofore noted, to Memphis.

In attempting to justify the proposed increased rates respondents contend, first, that this 20-cent blanket rate was put in as a result of a misunderstanding between the attorney general of Oklahoma and the officials of the carriers; second, that St. Louis (Mo.), grain interests have complained of the present rates on grain from Oklahoma points to St. Louis, declaring that they are discriminatory against them in favor of Memphis. The rate from Oklahoma City to St. Louis on grain and grain products is 24½ cents and the short-line distance is 542 miles, via the St. Louis & San Francisco; but this rate increases or decreases according to distance from other points of origin in Oklahoma. The short-line distance to Memphis from Oklahoma City is 487 miles, and the present rate 20 cents. Third, it is contended that the proposed rates are not unjust or unreasonable.

A representative of the Merchants Exchange of St. Louis, which body supports the carriers in their proposal to make this increase, testified that before 1908 there was some movement of wheat to St. Louis from Oklahoma points. The Oklahoma crop comes on before that of Kansas and the northern wheat-producing states, and a portion of such early wheat was for some years purchased in St. Louis. This business from Oklahoma has been eliminated since the Memphis rate was reduced to 20 cents, without a corresponding reduction to St. Louis. Several attempts have been made by St. Louis interests to have the carriers equalize these markets by reducing the Oklahoma-St. Louis rate to the Memphis basis, but in every instance they were informed by the carriers that they could stand no reduction in their revenues. St. Louis has always contended that its grain rate from Oklahoma was too high, and, as a means of affording

some relief, it was suggested to the carriers that they restore the relationship which existed prior to 1908. After a conference this proposed adjustment from points west of Oklahoma City to Memphis was decided upon.

The evidence introduced by the protestants is substantially as follows: It is denied that the publication of the 20-cent rate was the result of any error or misunderstanding, but they allege that it conformed to the agreement reached at the conference in 1908. They further show that the principal grain fields of Oklahoma are in the western part of the state, and the principal market for wheat is in that state, but that some small amount is shipped to Kansas and a little to Texas. There is a period of about three weeks in the first of the season when wheat might move to St. Louis, but that city draws its wheat principally from Kansas, Missouri, and Illinois; and even when the higher rate was in effect to Memphis, there was a very slight movement to St. Louis. From 60 to 75 per cent of the wheat raised in Oklahoma is milled in that state, and there were about 50 mills in operation last year. The products of the grain are generally sold in Oklahoma, in Arkansas, in the southeast through the Memphis gateway and, to a small extent, in Texas. It is contended that Memphis is practically the only gateway through which Oklahoma can ship its surplus product, and that the increased rate would have the effect of shutting down some of the mills and curtailing the output of all of them, as the millers could not meet the competition from Illinois, Indiana, Tennessee, Kentucky, Iowa, Kansas, and Missouri on business to the southeast. Oklahoma millers are in a kind of a pocket; north of them is Kansas, a great wheat-producing state; they can not go west because the market there is supplied by Kansas and Colorado mills; they can not go south because to the Texas markets there is a 5-cent differential on flour over wheat; and, therefore, the only possible market for their surplus product is the southeast through the Memphis gateway. Oklahoma millers are not interested in the relative rates between St. Louis and Memphis; they are concerned only in the Memphis rate.

Regardless of whether the present adjustment of rates was the result of an error, we are of the opinion that respondents are not in a position to seriously urge that contention in justification of the proposed increase. Traffic has moved on these rates for more than five years, and no proof that they are unreasonably low or that they are unremunerative is presented by the carriers. They presented no evidence tending to show the density of the traffic from Oklahoma points to Memphis or whether there has been an increase or decrease in the tonnage of wheat and grain products.

All of the exhibits introduced by respondents purport to show that the proposed rates are reasonable, and their argument is directed

to an equalization of the St. Louis and Memphis markets. Most of their comparisons are made with the present 24½-cent rate from Oklahoma points to St. Louis via the short-line route, which yields the St. Louis & San Francisco a per-ton-mile revenue of about 9 mills.

The Rock Island is in a rather unusual position here. It is asking that it be allowed to increase its rate to Memphis to permit the movement of wheat to St. Louis, thus allowing it to compete in business at a much lower rate per ton-mile than it is receiving for the traffic moving to Memphis. The distance from Oklahoma City via the Rock Island to St. Louis is 706 miles, and the rate of 24½ cents yields a per-ton-mile revenue of 6.9 mills. Its present per-ton-mile revenue is 8.3 mills on traffic moving from Oklahoma City to Memphis.

In attempting to remove the alleged discrimination against St. Louis by increasing the rates to Memphis, respondents have introduced no evidence to show that the higher rates to St. Louis are reasonable. They have assumed that the rates to St. Louis from Oklahoma points are reasonable and the value of the service to the Oklahoma millers does not seem to have been taken into consideration. The record shows that these millers compete in the southeast through the Memphis gateway with millers from Iowa, Kansas, Missouri, Nebraska, and other states, and that the rates they have to pay at present compare favorably with those from other milling points. The average short-line distance from 37 points in Oklahoma on the Rock Island and St. Louis & San Francisco to Memphis is about 555 miles, and the present average rate is 20.7 cents per 100 pounds, yielding a per-ton-mile revenue of 7.5 mills. The proposed increases from the same points would yield a per-ton-mile revenue of 8.3 mills. The average short-line distance to Memphis from 33 points in Kansas on 5 different railroad systems is 534 miles, and the average rate is 21.3 cents, yielding a per-ton-mile revenue of 8 mills. The rate from Omaha, Nebr., to Memphis is 19 cents. The short-line distance is 684 miles and the revenue per ton-mile 5.6 mills. The rate from Kansas City, Mo., to Memphis is 18 cents, the short-line distance 484 miles, and the per-ton-mile revenue 7.4 mills. There are also proportional rates from points in Iowa, Kansas, Missouri, and Nebraska which are lower than the rates above named; for example, the proportional rates from Omaha and Kansas City to Memphis are 15 and 14 cents, respectively, yielding a per-ton-mile revenue by the short line of 4.4 mills and 5.8 mills. There are no proportional rates from Oklahoma points to Memphis, but the Oklahoma millers are in competition as pointed out above with the millers from these points for business in the southeast.

A report filed by the Rock Island with the Corporation Commission of Oklahoma shows that its average haul on interstate grain for the year ending June 30, 1912, was 169 miles and the average revenue per ton-mile on this traffic was 5.9 mills. The average haul on flour shown in the same report was 301 miles, and the average revenue 5.8 mills per ton-mile. The average distance to Memphis from 22 representative points on the Rock Island here involved is about 570 miles, and the present average rate of 20.5 cents yields a ton-mile revenue of 7.2 mills.

The comparisons hereinabove set forth do not seem to indicate that the present rates from Oklahoma points to Memphis are unreasonably low.

Upon all the facts and circumstances of record, we are of the opinion that respondents' endeavor to equalize the alleged discrimination against St. Louis is not sufficient justification for the increase in their rates to Memphis. An order will be entered requiring the maintenance of the present rates as maxima for a period of not less than two years.

No. 4817.
GEORGE A. HORMEL & COMPANY
v.
CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY
ET AL.

Submitted February 11, 1914. Decided April 6, 1914.

1. The original report herein, 26 I. C. C., 112, declared unreasonable and unjustly discriminatory rates on fresh meat and packing-house products from Austin, Minn., to Chicago, Ill., prescribed reasonable rates for the future, and awarded reparation. On rehearing, granted on petition of complainant, the finding is modified and award of reparation affirmed.
2. Upon intervening petition of Swift & Company, located at South St. Paul, and of various carriers, rate on similar commodities between that point and Chicago considered; *Held*, That rate of 20 cents on fresh meat and packing-house products from South St. Paul, Minn., to Chicago, Ill., unjustly discriminates against South St. Paul in favor of Austin, and similar charges ordered established. Mere proof of specific shipments made, and the freight paid, and the amount for which reparation is sought does not make out a prima facie case when discrimination in rate or service is basis of the complaint. Reparation to intervener is denied.

Catherwood & Nicholson for complainants.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

Winston, Payne, Strawn & Shaw for Chicago Great Western Railroad Company, intervener.

I. B. Mills for Minnesota Railroad & Warehouse Commission, intervener.

Albert H. & Henry Veeder and *Walter E. McCornack* for Swift & Company, intervener.

A. H. Lossow for Minneapolis, St. Paul & Sault Ste. Marie Railroad Company, intervener.

R. B. Scott and *George H. Crosby* for Chicago, Burlington & Quincy Railroad Company, intervener.

W. D. Burr for Chicago, St. Paul, Minneapolis & Omaha Railway Company, intervener.

F. P. Eyman and *C. C. Wright* for Chicago & North Western Railway Company, intervener.

W. F. Dickinson and *R. G. Brown* for Chicago, Rock Island & Pacific Railway Company, intervener.

W. H. Bremner for Minneapolis & St. Louis Railroad Company intervener.

REPORT OF THE COMMISSION UPON REHEARING.

McCHORD, Commissioner:

This case is before the Commission on rehearing. The ground of the original complaint was that for a period of 10 years prior to November 1, 1911, there had been in effect from Austin, Minn., to Chicago, Ill., a rate on cured meats of 15.7 cents per 100 pounds; on fresh meat 17 cents per 100 pounds, and on shipments of fresh meat and packing-house products destined east of the Illinois-Indiana state line a rate of 14.6 cents. On November 1, 1911, the defendant companies, Chicago, Milwaukee & St. Paul and Chicago Great Western railroads, raised the rates from Austin to Chicago on fresh and cured meats to 20 cents flat, withdrawing the proportional rate on shipments destined east. In our previous report herein we found the 20-cent rate from Austin to Chicago to be unreasonable and unjustly discriminatory against Austin in favor of Mason City, Waterloo, Marshalltown, Ottumwa, and Cedar Rapids, Iowa, to the extent it exceeded 18.5 cents per 100 pounds on fresh meat and 16.5 cents on packing-house products, which rates were ordered to be established with rules as to minimum carload weights and mixed shipments the same as those contemporaneously in effect from the Iowa points to Chicago applicable on similar shipments. Reparation was awarded. 26 I. C. C., 112.

In our report the conclusion was stated that Austin encountered substantial competition from Iowa packers. The defense of the carriers that Austin had always been on the St. Paul basis was borne out by the record, but it was not then apparent from the evidence adduced that there was actual competition between the points in the Chicago market. It was therefore deemed more important to maintain an equitable relation between Austin and points of origin in Iowa than to maintain equality between Austin and South St. Paul.

The rehearing was had upon petition of complainant and upon intervening petitions of Swift & Company, located at South St. Paul, and various carriers operating between that point and Chicago. The petition of the complainant, which now asks for a flat rate of 16 cents, sets forth certain specifications of error, namely:

1. That in its table of mileages introduced in evidence it erred in showing the distance from Austin to Chicago as 388 miles instead of 350.4 miles, thereby making the Commission's computation of the average less distance of the Iowa points to Chicago under Austin 100 miles instead of 63.9 miles.

2. That in giving consideration to the switching charge of \$2 per car on shipments of fresh meat and packing-house products from plants at Cedar Rapids, Waterloo, and Mason City, Iowa, to Chicago absorbed by defendants, regard was had only to outbound shipments;

80 I. C. C.

and the Commission overlooked the fact that at Waterloo and Mason City a similar charge is absorbed on shipments of hogs inbound.

The reasoning of the complainant upon the first ground of the petition is that if the fact of the average less distance under Austin of the Iowa points to Chicago being 100 miles was cause for lowering the Austin rate, the showing that such average less distance is only 63.9 miles should be justification for a further reduction. To render this conclusive would be to exclude from consideration elements other than mileage and to assume that that was the chief if not the only factor prompting the finding of the Commission. It may, however, be taken into account if supported by other facts persuasive of complainant's contention.

Upon the second feature of the petition it appears that an inbound switching charge on live hogs is absorbed by the Chicago Great Western at Waterloo and by the Chicago, Milwaukee & St. Paul at Mason City, as well as the outbound charge on packing-house products. The plant at Waterloo is located on the tracks of the Illinois Central Railroad, and that at Mason City on the line of the Iowa Central. The unrefuted claim of the defendants is that these charges are ultimately equalized, being in the nature of reciprocal switching, and the service of one road practically balancing the similar service of the other.

It is also charged that a burden has been imposed upon the complainant due to a change in 1911 by the Western Trunk Line Committee in the classification of packing-house products, by which a number of articles included in that list were eliminated and placed with fresh meats. While this classification applies to all alike, its significance to Austin lies in the fact that with the exception of Mason City the Iowa points have flat rates; that is to say, the same rates on fresh meat and packing-house products. The showing is made that for the year 1912 about 3,500,000 pounds moved from the Austin plant under the fresh-meat schedule, which but for the change in classification would have been shipped under the lower cured meat rate. This presents an aspect not before considered and one material to the complainant. In our review of the original record it was not our conclusion that Austin should take the Iowa rates, but our purpose was to so align the points as to bring about an equitable relation. Having prescribed what were then considered reasonable rates from Austin, the inquiry now is whether the evidence subsequently presented justifies a disturbance of those rates. We are of the opinion that it does not to the extent asked, but that cause has been shown for a modification of the conclusions heretofore announced. It is our opinion that a further reduction of one-half cent per 100 pounds would be proper, and that just and reasonable rates for the future on

fresh meat and packing-house products from Austin to Chicago should not exceed 18 and 16 cents per 100 pounds, respectively.

We are further of opinion that the complainant has been damaged to the extent that charges collected on shipments of the commodities involved in this proceeding at the flat rate of 20 cents per 100 pounds at present in effect exceed charges which would have been paid at the rate found to be just and reasonable, and is entitled to an award of reparation in the amount of such excess charges. This case will be held open for an order as to reparation. The complainant will be expected to prepare a statement showing as to each shipment upon which reparation is claimed the date of movement, point of origin, point of destination, route, weight, car number and initials, rate charged, and the amount of reparation claimed. This statement should be submitted, with the freight bills covering the same, to the defendants for verification by them. Upon receipt of a statement so prepared by complainant and verified by the defendants, together with the billing, the Commission will take the matter up with a view to the issuance of an order of reparation.

The intervention of Swift & Company has for its object the establishment of the Austin rates from South St. Paul to Chicago and the maintenance of the previously existing parity. The former record, which dealt incidentally with the situation at South St. Paul, was incomplete. Contrary to the showing there made competition between that point and Austin is active, the number of cars moving from the plant of Swift & Company for Chicago proper for the calendar year 1912 having been 2,576, or 38 per cent of the total business. Its shipments through Chicago of 1,078 cars of fresh and cured meats constituted 17 per cent. Austin's shipments to Chicago proper for the same period amounted to 23.91 per cent of its output and to Chicago destined beyond the Indiana-Illinois state line 19.24 per cent. It is apparent from the record as a whole that there is a closer defined relationship between South St. Paul and Austin than between Austin and the Iowa points. This is in part evidenced by the fact that each draws the greater per cent of its raw product from the state of Minnesota on the state mileage scale of rates and that they have always been on the same basis on classes and commodities. Each has natural advantages not possessed by the other, but which on final analysis are practically equalized. Austin is nearer the hog supply in Minnesota than is South St. Paul, while South St. Paul is served by many competing carriers and is on a through route of great density of traffic. The complainants minimize the benefit accruing to Austin by reason of its proximity to the hog supply and consequent lower inbound rates by statements intended to show that the average cost of hogs at Austin is about 6 cents per 100 pounds more than

South St. Paul. It is not clear what composes this cost, but it appears it is partly complainant's necessity of maintaining purchasers in the field, while St. Paul buys at stock yards. Such a condition is incident to the respective geographical situations, which it is not the province of this Commission to equalize. Each is entitled to reasonable rates inbound and outbound, the latter of which we are here concerned with. It is true the distance from South St. Paul to Chicago is 53 miles over that from Austin, but if materially greater density of tonnage is an indication of lower cost of transportation the variance in mileage is offset. In other words, if this was the only element to be considered and the mileage from both points to Chicago the same, South St. Paul would be entitled to a somewhat lower rate.

Austin and South St. Paul have always been in the same group on classes and commodities, and with reference to fresh and cured meats the original defendants have stated that the alignment was a proper one. While this may not be taken as an admission of the propriety of a reduction, it is indicative of the relationship with which the two points have been regarded with reference to Chicago.

We conclude that the exaction from South St. Paul to Chicago of higher rates on fresh meat and packing-house products than are contemporaneously charged from Austin to Chicago constitutes unjust discrimination against South St. Paul, and that the parity heretofore existing between these points should be established by granting South St. Paul the rates prescribed from Austin to Chicago.

The intervening petition of Swift & Company is founded purely upon discrimination. However, no evidence was offered of damage as a result thereof. In order to recover under the act on account of discrimination, a party must show not merely the wrong of a carrier but that that wrong has operated to its injury.

Mere proof of specific shipments made and the freight paid and the amount for which reparation is sought does not make out a *prima facie* case when a discrimination in rate or service is the basis of the complaint. Presumption of damage will not be inferred, but proof must be made of such evidentiary facts as would be required to sustain such a recovery before a court of law. *New Orleans Board of Trade v. I. C. R. R. Co.*, 29 I. C. C., 32.

Reparation to intervener is denied.

No. 6087.

AMERICAN REFINING COMPANY

v.

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY
ET AL.

Submitted January 15, 1914. Decided April 7, 1914.

Rate of 17 cents per 100 pounds for the transportation of petroleum road oil and petroleum tailings from Okmulgee, Okla., to St. Louis, Mo., and East St. Louis, Ill., found to be unreasonable and unduly prejudicial to the extent it exceeds 14½ cents per 100 pounds.

George S. Ramsey and C. L. Thomas for complainant.

Thomas Bond for St. Louis & San Francisco Railroad Company.

J. W. Allen for Missouri, Kansas & Texas Railway Company.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

Complainant is a corporation engaged in refining oil at Okmulgee, Okla. By complaint, filed September 8, 1913, it alleges that defendants' rate of 17 cents per 100 pounds on petroleum road oil and petroleum tailings from Okmulgee to St. Louis, Mo., and East St. Louis, Ill., is unreasonable and also unduly prejudicial to the extent it exceeds the rate of 12½ cents applied on like traffic from Vinita, Okla. At the hearing the Missouri, Kansas & Texas Railway Company filed an intervening petition on behalf of defendants.

Okmulgee and Vinita are on the line of the St. Louis & San Francisco Railroad, 471 miles and 360 miles, respectively, from St. Louis. Vinita is also served by the Missouri, Kansas & Texas Railway Company. Both are refining points, and the manufacturing and selling conditions at each are substantially similar. The refineries at Okmulgee compete actively with the refineries at Vinita. Prior to September 1, 1913, a group rate of 17 cents applied on petroleum and its products from all northeastern Oklahoma producing points, including Vinita and Okmulgee, to St. Louis and East St. Louis. On September 1, 1913, in compliance with the order of the Commission in *Milliken Refining Co. v. St. L. & S. F. R. R. Co.*, 27 I. C. C., 445, defendants established a rate of 12½ cents per 100 pounds on petroleum road oil and petroleum tailings from Vinita to St. Louis and East St. Louis. The complaint in the instant case is brought to secure a like rate from Okmulgee to St. Louis and East St. Louis.

The rate on refined oils, such as gasoline, naphtha, gas and fuel oil, from Okmulgee and Vinita to St. Louis and East St. Louis is the same, viz, 17 cents per 100 pounds. Generally speaking, to all points other than St. Louis and East St. Louis the rates on petroleum and its products, including petroleum road oil and petroleum tailings, from Okmulgee and Vinita are the same. Petroleum road oil and petroleum tailings are the refuse which is left after refining the lighter oils, and their value is about 15 per cent of that of refined oils. In the *Milliken Refining Co. case, supra*, it was shown that from most of the points from which commodity rates apply lower rates obtain on residuum than on the refined products.

Notwithstanding the fact that the carriers maintain the same rate on refined oils from Vinita and Okmulgee to St. Louis and East St. Louis, in view of the material difference in the distance from the former points, it seems doubtful whether we ought to establish the same rate on petroleum road oil and petroleum tailings from Okmulgee that we have already established from Vinita. The 17-cent rate on refined oils yields 9.4 mills per ton-mile from Vinita and 7.2 mills from Okmulgee. The 12½-cent rate on residuum from Vinita yields about 7 mills per ton-mile. A like rate from Okmulgee would yield about 5.8 mills, which would appear to be a rather low return in view of the transportation conditions in the territory in question. It probably costs the carriers as much to transport the lower grades of oils as it does to transport the refined oils, but the value of the former is much less, and frequently they can not move at as high a rate.

Upon consideration of the facts and circumstances of record we are of opinion and find that the rate in issue is unreasonable and unduly prejudicial and that a rate not in excess of 14½ cents would be reasonable for the future. An order will be entered accordingly.

30 I. C. C.

No. 6299.
LUCAS E. MOORE STAVE COMPANY
v.
SOUTHERN RAILWAY COMPANY ET AL.

Submitted April 1, 1914. Decided April 6, 1914.

Subsequent to the filing of the complaint, which challenges the reasonableness of the rates on staves and heading from Columbus, Miss., to 25 points of destination in the southeast, the defendants have filed tariffs, effective May 1, 1914, making reductions to a majority of the points involved. Said rates, which are on substantially the same basis as those applicable from Meridian, Miss., and Decatur, Ala., not found to be unreasonable or unjustly discriminatory.

G. F. Thomas for complainant.

R. Walton Moore and *M. P. Callaway* for defendants.

REPORT OF THE COMMISSION.

CLEMENTS, *Commissioner*:

This complaint, brought by a corporation engaged in the manufacture of staves and heading at Columbus, Miss., challenges the reasonableness of rates on the commodities named from Columbus to 25 points in the southeast. It appeared at the hearing, however, that complainant was principally interested in the relationship of rates between Columbus and Meridian and Jackson, Miss. Reparation is asked.

Columbus is 9 miles west of the Alabama state line; is on the line of the Southern Railway from Greenville, Miss., through Birmingham, Ala., to Atlanta, Ga.; and is also on the line of the Mobile & Ohio to Montgomery, Ala., from Artesia, Miss., a point 219 miles north of Mobile, Ala., on the main line of that carrier from St. Louis, Mo., to Mobile. Meridian is 84 miles south of Artesia on the Mobile & Ohio and is served also by two of the lines composing the Queen & Crescent system, being 96 and 140 miles, respectively, east of Jackson and Vicksburg, Miss., on the Alabama & Vicksburg Railway, and 152 and 295 miles, respectively, southwest of Birmingham, Ala., and Chattanooga, Tenn., on the Alabama Great Southern Railroad.

Rates on manufactured articles, including staves and heading, from Columbus to destinations in the southeast are generally the same as those from Greenville, but not less than those from Meridian. The adjustments from Greenville and Corinth, Miss., and Memphis, Tenn., Mississippi River points, and, with a few exceptions, from Jackson are the same. Meridian is not grouped with

these points, the general basis therefrom to the southeast being the same as from Mobile; but, due to the establishment in the past of special commodity rates, which, it is stated, are very low and would have been canceled had there been any substantial movement thereon, the rates on staves and heading from Meridian are out of line with the adjustments both from Mobile and the Mississippi River points.

The defendants, while not admitting unreasonableness in the rates complained of, have revised the rates from Columbus, effective May 1, 1914, making reductions to a majority of the points involved of from 2 to 7½ cents per 100 pounds and placing Columbus on substantially the same basis as Decatur, Ala., and Meridian. In *Holland Blow Stave Co. v. A. C. L. R. R. Co.*, 24 I. C. C., 81, in which was involved alleged discrimination against Decatur and in favor of Memphis in rates on staves and heading to the southeast, the Commission found the adjustment from that point to be not discriminatory, Decatur generally taking the same rates as Nashville, Tenn., the basis from which was 4 cents under Memphis and 8 cents under Louisville, but not less per ton per mile than the Louisville rates, because of the shorter distance.

The following table shows the present rates from Columbus, those to become effective May 1, 1914, and those asked by complainant; also the rates from Decatur, Meridian, and Memphis, together with the approximate short-line mileages:

Rates on staves and heading, in cents per 100 pounds; carload minimum, 30,000 pounds.

To—	Columbus, Miss.				Decatur, Ala.		Meridian, Miss.		Memphis, Tenn.	
	Miles.	Rate complained of.	Rate asked in petition.	Rate effective May 1, 1914.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.
Birmingham, Ala...	116	12	7	7.5	87	5	152	8	251	12
Atlanta, Ga.....	291	11	10	12	255	13	320	13	418	18
Chattanooga, Tenn..	266	12	10	12	122	7.5	295	11	310	12
Bristol, Va.-Tenn...	508	17	15	17	364	16	537	16	552	23
Columbus, Ga.....	261	14	10	12	244	15	248	15	408	20
Montgomery, Ala...	167	14	7	9	184	9	154	9	346	14
Rome, Ga.....	249	18	10	12	202	12	300	12	377	18
Macon, Ga.....	361	20	12	14	343	15	348	14	507	20
Savannah, Ga.....	505	21	17	19	515	19	491	17	679	21
Brunswick, Ga.....	496	21	17	19	501	19	482	17	665	21
Jacksonville, Fla....	513	21	17	19	520	19	504	17	683	21
Live Oak, Fla.....	470	26.42	16	24.42	487	24.42	484	22.42	676	26.42
Leesburg, Fla.....	615	27.67	18	25.67	632	25.67	628	23.67	820	27.67
Ocala, Fla.....	580	26.84	16	24.84	597	24.84	594	22.84	786	26.84
Tampa, Fla.....	713	28.5	18	26.5	730	26.5	702	24.5	894	28.5
Bainbridge, Ga.....	341	21	10	16.25	358	18	328	16.25	522	21
Cairo, Ga.....	364	23.9	12	17.75	381	17.75	350	23.75	544	22.75
Dublin, Ga.....	415	25	14	17.5	397	20	402	15	561	25
Fargo, Ga.....	466	26.4	17	22.33	483	23.33	453	22.33	645	26.42
Quitman, Ga.....	404	23.2	14	18.2	421	21	391	22.6	580	23.2
Thomasville, Ga....	378	22.8	14	17.8	390	20.5	365	23	554	22.8
Valdosta, Ga.....	420	23.2	14	18.2	437	21	407	18.1	599	23.2

In addition to the above the complaint asks reduction to 10 cents per 100 pounds in the rates from Columbus to Mobile, Ala., New Orleans, La. and Pensacola, Fla., the present rates being 13, 14, and 30 I. C. C.

19 cents, respectively. There is no through rate to Pensacola, 19 cents being the combination on Mobile, but the defendants are willing to establish a through rate of 14 cents provided the Louisville & Nashville is granted relief from the requirements of the fourth section to points beyond Montgomery, via which junction the rates would be made applicable. No reduction is proposed by defendants to either Mobile or New Orleans. The distances from Columbus are approximately 330 miles to Pensacola (via Montgomery), 300 miles to New Orleans (via Meridian), and 233 miles to Mobile. The extent of relief desired in connection with the proposed rate of 14 cents to Pensacola is not definitely indicated of record, and we will not here pass upon that rate, but it will be considered on the carriers' application for relief in connection therewith.

No reduction is proposed by the defendants to either Chattanooga or Bristol, it being contended that the present rates are reasonable, compare favorably with, and are made on the same basis as, rates from other producing points, Bristol being 5 cents over Chattanooga and 3 cents over Knoxville. The slightly lower rates from Meridian are said to be due to the fact that it is a one-line-haul from that point to Chattanooga via the Alabama Great Southern.

The rate of the Southern from Columbus to Atlanta is 18 cents; that of the Mobile & Ohio 11 cents. In the readjustment there will be an increase, therefore, by the latter of 1 cent, but a reduction by the former of 6 cents.

The proposed rate from Columbus to the south Atlantic ports, Savannah, Brunswick, and Jacksonville, is 19 cents; that in effect at the present time 21 cents. The rate from Meridian via the Mobile & Ohio is 17 cents to all three ports, but via the Southern only the class-A rates of 27 cents to the first two and 23 cents to the last-named port are applicable. The defendants also state it to be their purpose to increase the Meridian rate to 19 cents and to establish it via the Southern Railway, thus putting Columbus, Decatur, and Meridian on the same basis. The propriety of this increase is not before us. Rates to Florida points are made by the addition of arbitraries to the Jacksonville rates.

Prior to filing its complaint the complainant corresponded with the defendants with a view to securing a readjustment from Columbus, but the rates then asked were somewhat higher in the main than those now sought.

Upon consideration of the facts of record we are not of opinion that the adjustment of rates from Columbus to the destinations named to become effective May 1, 1914, is unreasonable or unjustly discriminatory, or that reparation should be awarded to the basis of the reduced rates. The complaint will therefore be dismissed, subject to further consideration of the rate to Pensacola in connection with the fourth-section application of the carriers, as above indicated.

INVESTIGATION AND SUSPENSION DOCKET No. 280.
COAL RATES FROM INDIANA AND ILLINOIS MINES TO
STATIONS IN IOWA.

Submitted March 21, 1914. Decided April 13, 1914.

Proposed increased rates on coal from grouped mines in southern Indiana and Illinois to points on the Mason City & Clear Lake and Inter-Urban railways in Iowa held to be justified and order suspending their operation canceled.

C. B. Carde for Chicago & Eastern Illinois Railroad.

W. H. Bremner for Minneapolis & St. Louis Railroad Company.

C. C. Wright for Chicago & North Western Railway Company.

F. C. Dillard, W. F. Dickinson, and Wallace T. Hughes for Chicago, Rock Island & Pacific Railway Company.

G. B. Winston and F. S. Hollands for Chicago Great Western Railroad Company.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

Edmund S. Cummings for Monon Coal Company.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

The tariff under suspension in this proceeding increases respondents' rates on coal from mines on the Chicago & Eastern Illinois Railroad in southern Indiana and Illinois to stations on the Mason City & Clear Lake Railway and the Inter-Urban Railway. The Mason City & Clear Lake Railway extends from Mason City, Iowa, west through its one intermediate station, Emery, to Clear Lake, Iowa, a distance of 10 miles. It is an electric line. The Inter-Urban Railway extends from Des Moines, Iowa, east through Altoona to Colfax, Iowa, a distance of 23.5 miles, and from Des Moines northwest through Granger to Perry, Iowa, a distance of 35 miles. A branch from the latter line north to Woodward is 14.3 miles in length. The intermediate carriers represented at the hearing are the Minneapolis & St. Louis; Chicago & North Western; Chicago, Rock Island & Pacific; Chicago Great Western; and Chicago, Milwaukee & St. Paul railways. The traffic is routed via both Chicago and Peoria. The increases range from 10 to 40 cents a ton. Respondents explain the general rate situation and the proposed increases substantially as follows:

For rate-making purposes mines in Indiana and Illinois are grouped. On traffic to Iowa rates from southern mines in those states are made

by adding fixed differentials to the rates from the northern Illinois group, which embraces Streator and La Salle, Ill. The rate from this group is the same as the rate from Chicago and Peoria. This adjustment obtains to practically all points in Iowa west of the main line of the Minneapolis & St. Louis Railway, extending from Peoria west to Oskaloosa, Iowa, thence north through Marshalltown and Mason City to St. Paul, except to the stations in issue on the Mason City & Clear Lake and Inter-Urban railways. It is also the adjustment in effect via other lines from mines situated in the same group with Chicago & Eastern Illinois mines and in some cases from mines in the same group served also by the Chicago & Eastern Illinois.

The present and proposed rates are shown in the following table. The two stations west of Mason City on the Mason City & Clear Lake Railway take the same rate in both the present and proposed tariffs. The proposed rates to such of the stations on the Inter-Urban Railway as are affected are also grouped. The present rates to those stations differ somewhat. The table shows representative stations on that line:

Group.	To Emery and Clear Lake.		To Altoona, Granger, and Woodward.	To Colfax.	To Altoona, Granger, Woodward, and Colfax.
	Present.	Proposed.	Present.	Present.	Proposed.
Brasil.....	\$1.90	\$2.20	\$2.20	\$2.10	\$2.30
Danville.....	1.90	2.17	2.20	2.10	2.27
Marion.....	2.20	2.30	2.40	2.30	2.40
Pana.....	1.90	2.00	2.10	2.00	2.10
Sullivan.....	2.00	2.30	2.20	2.10	2.40
Princeton.....	2.07	2.37	2.27	2.17	2.47

Respondents state that the usual and natural route of this traffic is via Peoria and that the proposed tariffs merely restore the established basis of the Peoria combination. It will be noted that to points on the Inter-Urban Railway no increase is made from the Marion and Pana groups. Respondents say this is because those rates are now made on that combination. Respondents state their main purpose in these increases to be to remove the discrimination in favor of mines situated on the Chicago & Eastern Illinois Railroad which exists under the present rates.

The Monon Coal Company has protested against the operation of the proposed tariff. It has mines in Sullivan and Greene counties, Ind., in the Sullivan group. It concedes it has an advantage over mines on other lines in that group, but contends that this relationship of rates does not result in undue advantage to it because other operators in that district do not compete in the sale of coal to these points and have "abandoned the territory."

and the Commission overlooked the fact that at Waterloo and Mason City a similar charge is absorbed on shipments of hogs inbound.

The reasoning of the complainant upon the first ground of the petition is that if the fact of the average less distance under Austin of the Iowa points to Chicago being 100 miles was cause for lowering the Austin rate, the showing that such average less distance is only 63.9 miles should be justification for a further reduction. To render this conclusive would be to exclude from consideration elements other than mileage and to assume that that was the chief if not the only factor prompting the finding of the Commission. It may, however, be taken into account if supported by other facts persuasive of complainant's contention.

Upon the second feature of the petition it appears that an inbound switching charge on live hogs is absorbed by the Chicago Great Western at Waterloo and by the Chicago, Milwaukee & St. Paul at Mason City, as well as the outbound charge on packing-house products. The plant at Waterloo is located on the tracks of the Illinois Central Railroad, and that at Mason City on the line of the Iowa Central. The unrefuted claim of the defendants is that these charges are ultimately equalized, being in the nature of reciprocal switching, and the service of one road practically balancing the similar service of the other.

It is also charged that a burden has been imposed upon the complainant due to a change in 1911 by the Western Trunk Line Committee in the classification of packing-house products, by which a number of articles included in that list were eliminated and placed with fresh meats. While this classification applies to all alike, its significance to Austin lies in the fact that with the exception of Mason City the Iowa points have flat rates; that is to say, the same rates on fresh meat and packing-house products. The showing is made that for the year 1912 about 3,500,000 pounds moved from the Austin plant under the fresh-meat schedule, which but for the change in classification would have been shipped under the lower cured meat rate. This presents an aspect not before considered and one material to the complainant. In our review of the original record it was not our conclusion that Austin should take the Iowa rates, but our purpose was to so align the points as to bring about an equitable relation. Having prescribed what were then considered reasonable rates from Austin, the inquiry now is whether the evidence subsequently presented justifies a disturbance of those rates. We are of the opinion that it does not to the extent asked, but that cause has been shown for a modification of the conclusions heretofore announced. It is our opinion that a further reduction of one-half cent per 100 pounds would be proper, and that just and reasonable rates for the future on

INVESTIGATION AND SUSPENSION DOCKET No. 330.
LUMBER RATES FROM NORTH PACIFIC COAST POINTS.

Submitted March 11, 1914. Decided April 6 1914.

The proposed cancellation of through rates on lumber and other forest products from points on the lines of the Oregon-Washington Railroad & Navigation Company to points on or east of the Missouri River via Plummer, Idaho, in connection with the Chicago, Milwaukee & St. Paul Railway, not found unreasonable. The respondents will be expected to so amend their tariffs as to maintain through rates via the Plummer gateway to points to which such rates are now lower than those applicable via the route through Council Bluffs, Iowa, after which the order of suspension will be vacated.

W. A. Robbins, A. C. Spencer, P. L. Williams, N. H. Loomis, and H. A. Scandrett for respondents.

Joseph N. Teal for Eastern Oregon Lumber Producers' Association, protestant.

Clyde B. Aitchison for Railroad Commission of Oregon, protestant.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

This proceeding in effect is supplemental to that in *Lumber Rates from Oregon and Washington to Eastern Points*, 29 I. C. C., 609, each being the result of attempts by the Union Pacific system to so limit the application of through rates from points on the lines of the Oregon-Washington Railroad & Navigation Company, hereinafter referred to as the Oregon-Washington Railroad, to destinations on or east of the Missouri River as to secure to its lines the longest practicable haul; also to cancel through rates on forest products from points in the northwest on lines other than its own.

The tariffs involved in this proceeding, the operation of which has been suspended by appropriate orders until August 28, 1914, are as follows: R. H. Countiss, agent, supplements Nos. 24 and 26 to I. C. C. No. 959; supplements Nos. 7 and 8 to I. C. C. No. 967; supplements Nos. 9 and 10 to I. C. C. No. 968; and supplement No. 14 to I. C. C. No. 969. All except the last stated provide for the cancellation of through rates to the east on lumber and other forest products via Plummer, Idaho, in connection with the Chicago, Milwaukee & St. Paul Railway. The exception cancels rates on the same commodities from points on the Idaho & Western and Idaho & Washington Northern railways and will be considered separately.

The Chicago, Milwaukee & St. Paul neither protested the cancellations nor entered appearance at the hearing.

THE PLUMMER GATEWAY.

The main line of the Oregon-Washington Railroad runs south from Seattle, Wash., through Tacoma to Portland, Oreg., thence east along the south bank of the Columbia River to Umatilla, Oreg., thence southeast to Huntington, Oreg., at which point it connects with the Oregon Short Line Railroad. The latter connects with the Union Pacific Railroad at Granger, Wyo., the three lines forming a through route between the Pacific coast and the Missouri River. From Umatilla and Pendleton, Oreg.—the latter being intermediate Umatilla and Huntington, 44 miles from the former and 173 miles from the latter—lines of the Oregon-Washington Railroad run northeast and serve eastern Washington and northern Idaho. At Plummer, Idaho, a point 218 miles northeast of Pendleton, the Oregon-Washington Railroad connects with the Chicago, Milwaukee & St. Paul.

Through rates on lumber and other forest products from points on the Oregon-Washington Railroad to eastern destinations are now applicable either via the lines of the Union Pacific to Council Bluffs, Iowa, or through Plummer in connection with the Chicago, Milwaukee & St. Paul. The suspended tariffs seek to limit the application to the former route of rates on these commodities from points on the Oregon-Washington Railroad to destinations on, south, or east of the line of the Chicago, Milwaukee & St. Paul from Omaha, Nebr., to Chicago, Ill., except those applying via lake-and-rail through Duluth, Minn., or Lake Michigan ports north of Chicago; also from points on the Oregon-Washington Railroad east of Pendleton, Oreg., to destinations on or east of the line of the Chicago, Milwaukee & St. Paul from Duluth through Minneapolis, Minn., to Mason City, Iowa, thence west to Spencer, Iowa, and southeast to Des Moines, Iowa. The effect of this would be to increase rates to a number of points on or east of the Duluth-Des Moines line, but it was explained that this was not the intention; that with but few exceptions rates from points east of Pendleton to points on or south of a line composed of the Chicago, St. Paul, Minneapolis & Omaha Railway from Sioux City, Iowa, to Miloma, Iowa, and the Chicago, Milwaukee & St. Paul thence to Milwaukee, Wis., are the same via the two routes; and that the respondents are willing to so amend their tariffs that the rates which are lower via Plummer than via Council Bluffs will be maintained.

Upon completion of its line to the Pacific coast the Chicago, Milwaukee & St. Paul did not at once become a member of the trans-continental freight bureau, but published individual tariffs, which named rates to the east, applicable via Plummer, on forest products from points on the Oregon-Washington Railroad. Subsequently these rates were included in tariffs issued by agent Countiss, of that bureau, those from points east of Pendleton to points on or east of

the Duluth-Des Moines line being made applicable via Plummer, it is stated, contrary to instructions, as it was then the desire of the Union Pacific to limit the application of rates on this traffic to the Council Bluffs gateway.

As stated, the object of the principal respondent in publishing the suspended tariffs was to secure to its lines the longest practicable haul on traffic originating on its system instead of a relatively short one, and thus to conserve its revenues. The comparative distances via the two routes are not definitely indicated of record, but the distances to Chicago are approximately 1,845 miles from Plummer and 1,887 miles from Huntington. From Pendleton the distances to Chicago are therefore 2,063 miles via Plummer and 2,060 miles via Council Bluffs.

The protestants, who, with the exception of the Railroad Commission of Washington, are manufacturers of forest products in eastern Oregon, contend that the effect of the suspended tariffs would be to deprive them of the benefits of competition, and that with but one route available there will not be the same incentive to afford prompt service. It appears that no difficulty in securing cars has been experienced by protestants except during the heavy movement of grain in the fall. There was testimony as to an offer of equipment during one period of car shortage by the Chicago, Milwaukee & St. Paul for shipments of lumber from points on the Oregon-Washington Railroad east of Pendleton, but in view of the fact that car shortage is general throughout this section during the heavy movement of grain it appears doubtful that the maintenance of the route through Plummer would afford any substantial relief in this respect. About 1 per cent of protestants' output now moves via Plummer.

The Union Pacific Railroad Company owns all of the stock of the Oregon Short Line Railroad, and the latter owns all but a few shares of the stock of the Oregon-Washington Railroad. It is here contended by respondents, as it was in *Lumber Rates from Oregon and Washington to Eastern Points, supra*, that these lines constitute one system under one control and management and that the provision of section 15 that—

in establishing such through route, the Commission shall not require any company, without its consent, to embrace in such route substantially less than the entire length of its railroad and of any intermediate railroad operated in conjunction and under a common management or control therewith which lies between the termini of such proposed through route, unless to do so would make such through route unreasonably long as compared with another practicable through route which could otherwise be established

applies to that system as a whole.

Were the question before us that of the establishment in the first instance of the route via Plummer it is manifest that our conclusion

would be that there is in existence a reasonable, satisfactory through route and that no justification appears for requiring the initial line, a component part of the Union Pacific system, to give this long-haul traffic to a competing line within a comparatively short distance of its origin. The burden of justifying the cancellation, which results in increases via the Plummer gateway to the extent of the difference between the existing through rates and the combinations of local rates, is upon the respondents, but upon consideration of all of the facts of record we are not of opinion that they should be required to maintain through rates on forest products via that gateway to the points involved to which the rates are not higher via Council Bluffs.

**RATES FROM POINTS ON THE IDAHO & WASHINGTON NORTHERN AND
IDAHO & WESTERN RAILWAYS.**

From Metaline Falls, a point in northeastern Washington near the Canadian line, the Idaho & Washington Northern runs south a distance of 113 miles to Spear, Wash., at which point it now connects with the Chicago, Milwaukee & St. Paul. Through rates to the east on lumber and other forest products from points on the line first named, also from points on the Idaho & Western, now a part of the Chicago, Milwaukee & St. Paul, through error were made applicable via Huntington and Council Bluffs, this doubtless being due to the fact that prior to the extension of the Chicago, Milwaukee & St. Paul to Spear, the Oregon-Washington Railroad performed a short connecting service between the two lines, from Spear to Plummer. The tariff correcting this error was issued before the effective date of the one carrying it. The cancellation proposed, therefore, would not deprive shippers of the benefit of any route or rates enjoyed in the past.

The respondents will be expected to amend their tariffs in accordance with their suggestions, after which the order of suspension will be vacated.

INVESTIGATION AND SUSPENSION DOCKET No. 338.
COAL RATES TO DEWEY, OKLA.

Submitted March 5, 1914. Decided April 6, 1914.

Proposed increased rates on slack and run-of-mine coal from West Mineral and Fleming, Kans., to Dewey and Bartlesville, Okla., not found to be justified and directed to be canceled.

W. W. Miller for Missouri, Kansas & Texas Railway Company.
G. M. Stephen for Dewey Portland Cement Company.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

The tariff under suspension in this proceeding is Missouri, Kansas & Texas Railway Company supplement No. 4 to I. C. C. No. A-3849. It increases respondent's rates from 45 cents per ton on slack coal and 55 cents per ton on run-of-mine coal to 77 cents on both slack and run-of-mine coal from Fleming and West Mineral, Kans., to Dewey and Bartlesville, Okla. Fleming and West Mineral are situated on respondent's line between Parsons, Kans., and Joplin, Mo. The route is west 23 miles to Parsons, thence southwest 57 miles to Dewey and 61 miles to Bartlesville, distances from the mines of 80 miles to Dewey and 84 miles to Bartlesville. Dewey and Bartlesville are intermediate points via respondent's main line from Parsons to Oklahoma City. The National Zinc Company, of Bartlesville, and the Dewey Portland Cement Company, of Dewey, have filed written protests with the Commission against the operation of the proposed tariff, and the Dewey Portland Cement Company was represented at the hearing and presented written and oral argument.

Dewey is about 20 miles south of the Kansas-Oklahoma line and contiguous to the cement-producing points in that part of southeastern Kansas commonly known as the "gas belt." Among these points in Kansas on respondent's line are Humboldt, Chanute, Iola, and Mildred, 57, 47, 83, and 94 miles, respectively, from Fleming and West Mineral. The Dewey Portland Cement Company, like the cement companies at these last-named points, has, until recently, used natural gas and oil for fuel in the manufacture of its cement. With the gradual exhaustion of the gas supply and the steadily advancing price of fuel oil, it has within the past year or two become

necessary to substitute coal for gas and oil, and this coal is purchased largely from the Cherokee district, comprising mines in Cherokee and Crawford counties in southeastern Kansas, and in Barton county in southwestern Missouri. When the necessity for using coal for fuel first became apparent to them, the owners of cement mills located in the gas belt of Kansas petitioned the Kansas commission to establish lower rates from the mines in Kansas. The rates to those points from Fleming and West Mineral were then \$1 on slack, and \$1.25 on run-of-mine, but these were largely paper rates, as only an occasional shipment of coal for domestic use moved under them. The Kansas commission, after investigation, established rates of 45 cents on slack and of 55 cents on run-of-mine coal, and as Dewey had always been, generally speaking, grouped with these Kansas points on commodities inbound and outbound from practically all points of origin, respondent also at that time established those rates to Dewey. The owners of cement mills located at Ada, Okla., in the southern part of the state, thereupon petitioned the Oklahoma commission to establish rates to Ada from mines in Oklahoma, including the Tulsa district, not higher for similar distances than respondent had published interstate to Dewey from Fleming and West Mineral, Kans., and in order to remove this contention of the mill owners at Ada and the possibility based thereon of its intrastate rates being reduced by the Oklahoma commission, respondent filed with this Commission the tariff now under suspension in this proceeding. Respondent's witness testified that respondent would have no objection to withdrawing the proposed tariff if it could be assured that its intrastate rates would not be thereby affected through the action of the Oklahoma commission.

The Dewey Portland Cement Company consumes, under normal conditions, about 7 carloads, or 225 tons, of coal a day, and the increase to it would amount to approximately \$23,000 a year. All of the coal originating at Fleming and West Mineral consigned both to the Kansas points referred to and to Dewey and Bartlesville moves the entire distance from the mines to destination via respondent's line.

Considering all the facts appearing, we find that respondent has failed to justify the proposed rates under suspension, and it will be directed by our order to cancel them and to maintain the present rates as maxima for the future.

An order will be entered accordingly.

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No. 5273.
R. W. PRIDHAM COMPANY
v.
SOUTHERN PACIFIC COMPANY ET AL.

Submitted October 9, 1913. Decided April 6, 1914.

1. There are no transportation differences between the movement of suitable commodities from California terminals eastbound in wood and in fiber, and defendants' rule limiting the application of commodity rates to articles shipped in boxes "made entirely of wood or wood and metal" found to be unreasonable and unjustly discriminatory.
2. While the fiber box is being accepted by carriers in other territories for the transportation of some articles which do not carry safely therein, the Commission can not on this record undertake to indicate the commodities which should be denied transportation in such containers.
3. The classification rules with respect to the construction, packing, and sealing of fiber boxes should be rigidly enforced and the shipper held responsible for any violation thereof.
4. The opinion expressed that some restrictions should be placed by the carriers upon wooden containers.

Loeb & Loeb for complainant.

H. A. Scandrett, C. W. Durbrow, and G. D. Squires for Southern Pacific Company, Union Pacific Railroad Company, and Chicago & North Western Railway Company.

A. S. Halsted for San Pedro, Los Angeles & Salt Lake Railroad Company.

E. W. Camp and U. T. Clotfelter for Atchison, Topeka & Santa Fe Railway Company.

J. G. Wilson for Southern Pacific Company.

D. P. Connell, James Webster, and A. E. Hueneryager for Lake Shore & Michigan Southern Railway Company and New York Central & Hudson River Railroad Company.

James Stillwell for Pennsylvania Company.

F. P. Eyman and A. F. Cleveland for Chicago & North Western Railway Company.

M. F. Gallagher, Charles L. Brown, and D. P. Murphy for lumber and wooden box interests.

L. M. Walter and K. I. Herman for Fiber Shipping Container Association.

W. E. Lamb and J. S. McMahon for Corrugated Fiber Manufacturers Association.

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

In their eastbound transcontinental tariff defendants prescribe commodity rates upon various articles moving from California terminals in boxes "made entirely of wood or wood and metal." Similar articles shipped in fiber boxes must pay the class rates, which in some instances are as much as 400 per cent in excess of the commodity rates. The higher rates on goods shipped in fiber and defendants' tariff rule or regulation from which these higher rates result, complainant, a paper-box manufacturer at Los Angeles, Cal., attacks as unreasonable and unjustly discriminatory. Interventions in support of the complaint have been filed by associations of fiber-box manufacturers, while the lumber and wooden-box interests have intervened in opposition to the prayer of the complaint.

The fiber boards of which these boxes are made consist of not less than three layers of paper, the outer layer being waterproofed. The corrugated fiber board differs from the solid fiber board in that the middle layer is corrugated. Except as otherwise indicated herein, we shall use the term fiber box as descriptive of boxes made of either the solid or the corrugated board.

This package is of recent origin and was unknown prior to 1905. Boxes made of lighter fiber surrounded by wooden frames had made their appearance earlier, but they are not here involved and will not be discussed. In 1906 the fiber box had found a limited use and was accepted by the Western Classification Committee with few restrictions. In 1907 the same committee revised its rules to provide certain specifications as to quality and strength of the package. The Official Classification Committee followed with virtually the same requirements as the Western, while the Southern Classification Committee would only receive the fiber box for a few commodities, and only then at 110 per cent of the rates upon the same commodities in wooden boxes. After many conferences between the classification officials and the fiber-box manufacturers a uniform rule was adopted in 1909 and, except for minor variations in phraseology, published in the three principal classifications. The one carried in western classification appears in the appendix to this report. The substance of this rule is that the ratings on articles in wooden boxes will apply on the same articles in fiber board, pulp board, or double-faced corrugated strawboard boxes, with or without wooden frames, provided certain requirements and specifications are complied with; otherwise the rates on articles in fiber will be increased 20 per cent. The rule then sets forth specifications as to the thickness and strength of the fiber board, the dimensions and weight limits of the package, and the manner in which it must be packed and sealed. For the heaviest type of fiber board prescribed the weight limit is 90 pounds.

No departure from this rule is made in any commodity tariff except the one naming commodity rates eastbound from California terminals. In that tariff the commodity rates on articles packed in boxes apply only on boxes "made entirely of wood or wood and metal completely enclosing the contents." By thus omitting the fiber package from their definition of "boxes," defendants have intentionally precluded the application of commodity rates to shipments in fiber boxes, leaving only the class rates to be charged upon goods in such containers. Illustrative of the operation of this rule are the following rates upon the same commodities in wood and in fiber, transported from California terminals to the east:

Commodity.	Carload.		Less than carload.	
	In fiber.	In wood.	In fiber.	In wood.
Dried fruits.....	\$2. 25	\$1. 10	\$2. 65	\$2. 20
Canned goods.....	1. 90	. 85	2. 25	2. 25
Olives and olive oil.....	3. 70	1. 00	3. 70	1. 50
California wines, not champagne.....	3. 70	. 75	3. 70	3. 70

Prior to August 19, 1912, rates were named on olives and olive oil "in packages" which permitted their shipment in fiber boxes. With this exception these defendants have never extended commodity rates to articles shipped eastbound in fiber packages. The same carriers do apply commodity rates on articles so packed and moving westbound. From north Pacific coast points there is only the usual classification restriction on the fiber package moving either east or west under commodity rates.

Complainant has been engaged in the manufacture of paper boxes on the Pacific coast for many years. Recently it contemplated making fiber-board boxes, but knowing the tariff restrictions against such containers, it took up with the terminal lines the question of including fiber boxes in the commodity tariff description of "boxes." Such assurance from these roads was received that complainant began the enlargement of its plant and actually purchased about \$25,000 worth of additional machinery. Noting no change in the situation, complainant conferred repeatedly with the traffic officials of the western roads, who finally intimated that their nonaction was due to their fear of incurring the displeasure of the lumber and wooden-box manufacturers. It was testified, and not contradicted, that these roads suggested to complainant that it confer with the lumber interests and that they endeavor to agree for what commodities the carriers might permit the use of the fiber box. This suggestion was not acted upon by complainant. It seems, therefore, that the western roads are not in reality hostile to the fiber package, but have felt

constrained to yield to the influence of the lumber interests, whose tonnage from the Pacific coast is no mean item. It is true that both the Southern Pacific Company and the Atchison, Topeka & Santa Fe Railway have enormous timber holdings in the west but it is not shown that this interest affected their treatment of the fiber box.

The testimony in this case is most voluminous, comprising some 4,000 pages, to say nothing of volumes of exhibits, introduced chiefly by the interveners. When the case came on for hearing some of the lumber interests intervened and were followed by the solid fiber-box manufacturers. Then came the intervention of the corrugated-box makers and finally the remainder of the lumber interests of practically the entire United States. The complainant sought only to have incorporated in the eastbound commodity tariff a rule similar to that carried in all of the classifications. The intervening fiber-box manufacturers lent their aid to complainant and sought at least to retain the existing rules obtaining in other territories. The lumber and wooden-box interests not only opposed the complaint, but attempted to show why the existing classification rules should be amended so as practically to eliminate the fiber package as a shipping container. As a result of this conflict of interests the case lost its original aspect and has been so presented that the record contains all available information respecting the relative merits of the wood and the fiber package as containers of freight transported throughout the United States. This mass of testimony, however, in no wise enlarges the original issue, and we have for determination only the question of whether or not the rule in defendants' eastbound commodity tariff is unreasonable or unjustly discriminatory.

If unjust discrimination exists, it must be found in the practice of these defendants as applied to the transportation of like commodities between the same or similar points and under substantially similar conditions. What these defendants provide with respect to westbound traffic or what rules apply in other territories are material in determining the reasonableness rather than the discriminatory effect of the rule here attacked. There is no question that the fiber-box manufacturer and the wooden-box manufacturer are in active competition, nor can it be denied that the shippers using either of these containers are competitors. If, then, the fiber box is capable of carrying a given commodity from the Pacific coast to an eastern destination as safely as the wooden package, the existing rule unjustly discriminates against the fiber package, the manufacturer and user thereof, as well as the commodities shipped therein. Testimony was offered by both fiber and wooden box manufacturers, by shippers using both containers, and by freight handlers who load and unload both packages. Each class of box manufacturer contended for the superiority of its product, while the testimony of the

remaining witnesses was most conflicting. It is as impossible as it is unnecessary in this report to discuss in detail the opinions and experiences of all of the witnesses. Some of the largest manufacturing concerns depend entirely upon the fiber box for the shipment of many of their commodities, and their experience with this container during the last several years has been so satisfactory as, in their opinion, to warrant them in continuing its use. Very few instances were cited of shippers abandoning the fiber box after it had once been employed. Many shippers testified to the reduction in their loss and damage claims since they had adopted the fiber container. It was intimated by the wooden-box manufacturers that for much of the loss and damage occurring to goods moving in fiber claims were not filed. We appreciate that the most reliable information as to loss and damage would be that which the carriers themselves might furnish, but their records have not been kept in such manner as to justify a reasonable conclusion as to the relative damage occurring to goods shipped in wood and in fiber boxes of the same size. In most instances the billing describes the shipment as so many "cases," and as the same description is used in "over, short, and damage" reports, it is impossible to determine whether the shipment was in wood or in fiber, though many witnesses attempted to supply this deficiency by conjecture. The number of packages damaged is not enlightening, unless the total number shipped be known, for only by such a comparison can we attain any sense of proportion. The wooden-box interests, after the hearing, caused to be kept by the railroads at a number of points and later filed with the Commission, a record of packages handled during one week, and while many of these statements show damage to a greater percentage of fiber than of wooden packages, the information is not persuasive, because of the short period employed and the lack of competent testimony as to the nature and extent of the damage. Furthermore, these statements deal with "wooden packages," which doubtless include boxes carrying many hundred pounds, and may also include barrels and crates.

Among the freight handlers the most marked difference of opinion existed, some believing that there was no difference in the carrying qualities of the wood and the fiber, others stating that some fiber packages can withstand rougher handling than the wood, while still others gave it as their opinion that the fiber box should not be tolerated. Much was said about the alleged "preferred handling" accorded fiber packages and again opinions were divided. Photographs were introduced by both factions showing damage to packages both wood and fiber in the carriers' warehouses, in cars, and in stock rooms. Extreme examples of defective fiber packages were instanced by the wooden interests, the fiber advocates retaliating with illustrations of

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the shipper certify that the box tendered conforms to the classification rules, and it is only by a rigid and inflexible enforcement of this requirement that the classification rule may be enforced. We realize that the jobber distributes his goods in the original package and has no personal knowledge of the construction or sealing of the box, but if he is to be thereby relieved of all liability the rule fails of its purpose because with his outbound shipment the original consignor has no connection, and it would be very difficult to secure a conviction of the original shipper for false billing by proof of the defective condition of the package on its reshipment.

We are not prepared to say that some provision is not necessary to take care of instances that may arise through the shipper's inadvertence, but the penalty of 20 per cent applied on commodities moving in fiber boxes which do not conform to the classification rules should not be permitted to modify the usual classification rule that all packages must be such as will safely and securely transport the commodity contained.

An order in accordance with our findings herein will be issued.

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pletely enclosing the contents, be it only one-sixteenth inch veneer, is regarded as a box. We appreciate the difficulty of prescribing specifications for wooden containers to meet all emergencies, and we understand that this question has been discussed by the wooden-box makers and the carriers. We think it a situation to which attention might well be directed, to the end that some restriction will be placed upon the insecure wooden container.

At this time it is not only inadvisable but impossible for this Commission to indicate what articles should not be accepted for transportation in fiber boxes, though we are convinced of the necessity for the elimination of some of the commodities now carried. This matter should be worked out by the carriers and the shippers. There is no reason for any different practice on eastbound transcontinental traffic than on traffic moving in other territories, and defendants will be required to amend the rule regarding boxes in their commodity tariff so that it will conform to the rule in effect in western classification.

It is contended by the wooden-box manufacturers that the present classification rule as to fiber boxes is too technical to be applied by the railroad employees; that it is in reality box makers' specifications which it is impossible for the carriers to enforce; and that, therefore, the entire rule should be rescinded and the fiber box rejected. Similar rules, however, have already been prescribed by this Commission in its "Regulations for the Transportation of Dangerous Articles, other than Explosives, by Freight." It is, of course, impossible for the carrier to determine whether a sealed fiber package is constructed of material of the quality prescribed, and it is also difficult at all times to assure itself that the flaps constituting the top of the box are sealed over their entire surface of contact. Any defect in the construction of the box is the fault of the box maker, while imperfect sealing is attributable to the shipper. The carriers require that the box be stamped with a certificate of the box maker, giving the dimensions and strength of the fiber board and the weight limit of the package. It should not be difficult for carriers to obtain from shippers at intervals specimens of the boxes they are using and in this way to satisfy themselves as to whether or not the box is of proper construction. There is of course no privity between the box maker and the carrier, and it might be difficult directly to penalize him for the manufacture of a box not meeting the requirements. Frequently the box manufacturer may be called upon to construct a package for express or other than freight service, which package is lighter and less secure than that made for freight shipments. If the shipper undertook to use the lighter container for freight shipments it would be unfair to hold the box maker responsible. The classification does require that on his bill of lading

added, do not exceed 60 inches, the gross weight of the box and its contents shall not exceed 40 pounds (see sections 6, 7, 8, 10, and 11 of this rule); or

(c) When the outer facing is not less than 0.018 of an inch in thickness, having a resistance of not less than 85 pounds to the square inch, Mullen test, and the inner facing is not less than 0.018 of an inch in thickness, having a resistance of not less than 85 pounds to the square inch, Mullen test, the combined board having a resistance of not less than 200 pounds to the square inch, Mullen test, and the outside dimensions of the box, length, width, and depth added, do not exceed 65 inches, the gross weight of the box and its contents shall not exceed 65 pounds (see sections 6, 7, 8, 10, and 11 of this rule); or

(d) When two complete double-faced corrugated strawboard boxes, one fitted closely inside the other and each box made of double-faced corrugated strawboard fully complying with the requirements and specifications shown in section 3 (a) and (b) of this rule, are used and the outside dimensions of the box, length, width, and depth added, do not exceed 70 inches, the gross weight of the box and its contents shall not exceed 90 pounds (see sections 6, 7, 8, 10, and 11 of this rule).

SEC. 4. (a) Single-ply fiber board or pulpboard used in making fiber board or pulpboard boxes, with wooden frames, must have the outer surface water-proofed; and

(b) When the single-ply board is not less than 0.080 of an inch in thickness, having a resistance of not less than 225 pounds to the square inch, Mullen test, all sides, top and bottom of the box being completely surrounded by a wooden frame made of strips not less than $\frac{1}{2}$ by $\frac{1}{2}$ inch or $\frac{1}{2}$ by $1\frac{1}{2}$ inches, with cross strips not less than $\frac{1}{2}$ by $\frac{1}{2}$ inch, or $\frac{1}{2}$ by $1\frac{1}{2}$ inches and not more than 14 inches apart, the gross weight of the box and its contents shall not exceed 50 pounds (see sections 5, 6, 7, and 8 of this rule); or

(c) When the single-ply board is not less than 0.080 of an inch in thickness, having a resistance of not less than 250 pounds to the square inch, Mullen test, all sides, top, and bottom of the box being completely surrounded by a wooden frame made of strips not less than $\frac{1}{2}$ by $1\frac{1}{2}$ inches, or $\frac{1}{2}$ by 2 inches, with cross strips not less than $\frac{1}{2}$ by $1\frac{1}{2}$ inches, or $\frac{1}{2}$ by 2 inches and not more than 14 inches apart, the gross weight of the box and its contents shall not exceed 100 pounds (see sections 5, 6, 7, and 8 of this rule); or

(d) When the single-ply board is not less than 0.080 of an inch in thickness, having a resistance of not less than 300 pounds to the square inch, Mullen test, all sides, top, and bottom of the box being completely surrounded by a wooden frame made of strips not less than $\frac{1}{2}$ by $1\frac{1}{2}$ inches, with cross strips not less than $\frac{1}{2}$ by $1\frac{1}{2}$ inches, and not more than 12 inches apart, the gross weight of the box and its contents shall not exceed 200 pounds (see sections 5, 6, 7, and 8 of this rule).

SEC. 5. (a) Three ply or more fiber board or pulpboard, or double-faced corrugated strawboard may be used in the construction of fiber board, pulpboard, or strawboard boxes with wooden frames, provided:

(b) That three-ply or more fiber board or pulpboard as specified in section 2 (a) and (b), or double-faced corrugated strawboard as specified in section 3 (a) and (b), is used in making wooden-frame boxes as specified in section 4 (a) and (b) of this rule. The gross weight of the box and its contents shall not exceed 50 pounds.

(c) That three-ply or more fiber board or pulpboard as specified in section 2 (a) and (c), or double-faced corrugated strawboard as specified in section 3 (a) and (c), is used in making wooden-frame boxes as specified in section 4 (a) and (c) of this rule. The gross weight of the box and its contents shall not exceed 100 pounds.

(d) That three-ply or more fiber board or pulpboard as specified in section 2 (a) and (d), or double thickness of double-faced corrugated strawboard as specified in section 3 (a) and (b) is used in making wooden-frame boxes as specified in section 4 (a) and (d) of this rule. The gross weight of the box and its contents shall not exceed 200 pounds.

Sec. 6. All articles (except as provided for by section 7) liable to loss from sifting or leakage must be in cans, cartons, or other receptacles, so packed in the box as to completely fill it.

Sec. 7. (a) Glassware, other fragile articles or articles packed in glass or earthenware in fiber board, pulpboard, or double-faced corrugated strawboard boxes:

(b) When the gross weight of the package exceeds 65 pounds, will not be accepted for transportation.

(c) Liquids in glass or earthenware containers exceeding one quart measure will not be accepted for transportation in fiber board, pulpboard, or double-faced corrugated strawboard boxes.

(d) Glassware or other fragile articles, when gross weight of the box and its contents does not exceed 30 pounds, must be inclosed in corrugated strawboard or cork-lined paper wrappers or separated by double-faced corrugated strawboard or tight fitting flexible wooden partitions and so packed in the box as to completely fill it.

(e) Glassware or other fragile articles, when gross weight of the box and its contents is over 30 pounds, but not exceeding 65 pounds (see section 7 (a) and (b)), must be inclosed in corrugated strawboard or cork-lined paper wrappers or separated by double-faced corrugated strawboard or tight fitting flexible wooden partitions and so packed in the box as to completely fill it, and all sides, top, and bottom of box must be lined with double-faced corrugated strawboard unless double corrugated strawboard boxes as described in section 3 (a) and (d) of this rule are used.

(f) When articles are packed in glass or earthenware and the weight of the box and its contents does not exceed 30 pounds, each bottle, jar, or similar receptacle must be inclosed in single-faced corrugated strawboard or cork-lined paper wrappers and so packed as to completely fill the box, or separated by tight fitting double-faced corrugated strawboard or flexible wooden partitions touching all sides, top, and bottom of the box. All sides, top, and bottom of box must be lined with double-faced corrugated strawboard unless double corrugated strawboard boxes as described in section 3 (a) and (d) of this rule are used, or when the inner flaps of boxes meet and the outer flaps meet or overlap 2 inches or more, such surfaces need not be lined.

(g) When articles are packed in glass or earthenware and the weight of the box and its contents is over 30 pounds, but not exceeding 65 pounds (see section 7 (b)), each bottle, jar, or similar receptacle must be separated by tight fitting double-faced corrugated strawboard or flexible wooden partitions touching all sides, top, and bottom of the box. All sides, top, and bottom of box must be lined with double-faced corrugated strawboard unless double corrugated strawboard boxes as described in section 3 (a) and (d) of this rule are used.

Sec. 8. (a) All fiber board, pulpboard, or double-faced corrugated strawboard boxes, with or without wooden frames, that are made to conform to the requirements and specifications of this rule, must bear certificate of box maker, labeled, printed, or stamped in ink, showing that the boxes do so conform; this certificate to be not less than 2½ by 4 inches, and to be a facsimile of the following in form and style of type and wording:

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Name and address of box maker, and figures showing thickness, resistance, dimension limit, and gross weight limit to be inserted by box maker.

CERTIFICATE OF BOX MAKER

THIS BOX IS MADE OF THREE PLY OR MORE
FIBREBOARD OR PULPBOARD, OUTER PLY WATERPROOFED

THICKNESS NOT LESS THAN { EACH PLY-----INCH
COMBINED BOARD-----INCH

RESISTANCE (MULLEN TEST)
COMBINED BOARD-----LBS. PER SQ. INCH

DIMENSION LIMIT:
LENGTH, WIDTH AND DEPTH ADDED-----INCHES

GROSS WEIGHT LIMIT-----POUNDS

★-----

★ Insert box maker's name and address

CERTIFICATE OF BOX MAKER

THIS BOX
IS MADE OF DOUBLE FACED CORRUGATED STRAWBOARD

THICKNESS OUTER FACE WATERPROOFED-----INCH
NOT LESS THAN INNER FACE-----INCH

RESISTANCE { OUTER FACE -----LBS. PER SQ. INCH
(MULLEN TEST) { INNER FACE -----LBS. PER SQ. INCH
COMBINED BOARD-----LBS. PER SQ. INCH

DIMENSION LIMIT:
LENGTH, WIDTH AND DEPTH ADDED-----INCHES

GROSS WEIGHT LIMIT-----POUNDS

★-----

★ Insert box maker's name and address

CERTIFICATE OF BOX MAKER

THIS IS A DOUBLE BOX
EACH BOX IS MADE OF DOUBLE FACED CORRUGATED
STRAWBOARD

THICKNESS { OUTER FACE WATERPROOFED---016 INCH
NOT LESS THAN { INNER FACE-----016 INCH

RESISTANCE { OUTER FACE -----85 LBS. PER SQ. INCH
(MULLEN TEST) { INNER FACE -----65 LBS. PER SQ. INCH
COMBINED BOARD---175 LBS. PER SQ. INCH

DIMENSION LIMIT:
LENGTH, WIDTH AND DEPTH ADDED-----70 INCHES

GROSS WEIGHT LIMIT-----90 POUNDS

★-----

★ Insert box maker's name and address

CERTIFICATE OF BOX MAKER

THIS WOODEN FRAME BOX
IS MADE OF SINGLE PLY FIBREBOARD OR PULPBOARD,
OUTER SURFACE WATERPROOFED

THICKNESS NOT LESS THAN-----INCH
RESISTANCE (MULLEN TEST)-----LBS. PER SQ. INCH
FRAME } STRIPS NOT LESS THAN-----INCH BY-----INCH
CROSS }
CROSS PIECES SPACED NOT MORE THAN-----INCHES
GROSS WEIGHT LIMIT-----POUNDS

★-----

★ Insert box maker's name and address

CERTIFICATE OF BOX MAKER

THIS WOODEN FRAME BOX
IS MADE OF DOUBLE FACED CORRUGATED STRAWBOARD

THICKNESS { OUTER FACE WATERPROOFED-----INCH
NOT LESS THAN { INNER FACE -----INCH
RESISTANCE { OUTER FACE -----LBS. PER SQ. INCH
(MULLEN TEST) { INNER FACE -----LBS. PER SQ. INCH
COMBINED BOARD -----LBS. PER SQ. INCH
FRAME } STRIPS NOT LESS THAN-----INCH BY-----INCH
CROSS }
CROSS PIECES SPACED NOT MORE THAN-----INCHES
GROSS WEIGHT LIMIT-----POUNDS

★-----

★ Insert box maker's name and address

CERTIFICATE OF BOX MAKER

THIS WOODEN FRAME BOX IS
MADE OF THREE PLY OR MORE FIBREBOARD OR PULP-
BOARD, OUTER PLY WATERPROOFED

THICKNESS NOT LESS THAN { EACH PLY -----INCH
COMBINED BOARD -----INCH
RESISTANCE (MULLEN TEST) :
COMBINED BOARD-----LBS. PER SQ. INCH
GROSS WEIGHT LIMIT-----POUNDS

★-----

★ Insert box maker's name and address

CERTIFICATE OF BOX MAKER

**THIS WOODEN FRAME BOX
IS MADE OF TWO THICKNESSES OF
DOUBLE FACED CORRUGATED STRAWBOARD**

**EACH THICKNESS OUTER FACE WATERPROOFED---016 INCH
NOT LESS THAN-- INNER FACE-----016 INCH**

**RESISTANCE OF OUTER FACE-----85 LBS. PER SQ. INCH
EACH THICKNESS INNER FACE-----65 LBS. PER SQ. INCH
(MULLEN TEST) COMBINED BOARD-175 LBS. PER SQ. INCH**

GROSS WEIGHT LIMIT-----200 POUNDS

★-----

★ Insert box maker's name and address

(b) Boxes must also show description of contents.

(c) When shipments are tendered for transportation in fiber board, pulp-board, or double-faced corrugated strawboard boxes conforming to the requirements and specifications of this rule, the shipper must certify on shipping orders and bills of lading as follows:

"The fiber boxes used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of rule 42 of western classification."

Section 9 (a) Joints or seams of boxes, made of fiber board or pulpboard as specified in section 2 of this rule, must be secured as follows:

(b) The sides of the box forming the joint or seam must lap not less than $1\frac{1}{2}$ inches and be firmly glued together throughout the entire area of contact and when the joint or seam is over 18 inches in length a metal rivet, staple or stitch must also be placed at each end of the joint or seam; or

(c) The sides of the box forming the joint or seam must lap not less than $1\frac{1}{2}$ inches and be fastened together with metal rivets, staples, or stitches not more than 3 inches apart, but when the length of the joint or seam is more than 18 inches, the metal rivets, staples, or stitches must not be more than $2\frac{1}{2}$ inches apart.

Sec. 10. Joints or seams of boxes, made of double-faced corrugated strawboard, as specified in section 3 of this rule, must join and be secured together by a cloth or paper sealing strip not less than 2 inches in width and having a resistance of not less than 60 pounds to the square inch, Mullen test, extending the entire length of the joint or seam and firmly glued to the box.

Sec. 11. (a) Boxes, without wooden frames, must have all outer joints, openings, or seams that are not secured as provided by sections 9, 10 and 12, tightly closed as follows:

(b) All sealing strips must be made of paper having a resistance of not less than 60 pounds to the square inch, Mullen test, must be 2 inches or more in width, the ends must lap $2\frac{1}{2}$ inches or more over the sides or ends of the box and must be firmly glued to all surfaces with which they come in contact; and

(c) When the ends of the inner flaps of boxes are not more than 6 inches apart, and the ends of the outer flaps meet, making a close joint or seam, or overlap 2 inches or more, all flaps must be firmly glued to each other throughout the entire area of contact; or all outer joints, openings, or seams must be completely covered with sealing strips, except as provided in section 11 (f); or

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(d) When the ends of the inner flaps of boxes are not more than 6 inches apart, and the ends of the outer flaps overlap less than 2 inches, all flaps must be firmly glued to each other throughout the entire area of contact and the joint or seam made by the end of the outer flap must be completely covered with a sealing strip, except as provided in section 11 (f); or

(e) When the ends of the inner flaps of boxes are more than 6 inches apart, and the ends of the outer flaps meet making a close joint or seam, or overlap 2 inches or more, all flaps must be firmly glued to each other throughout the entire area of contact and each joint or seam made by the ends of the outer flaps must be completely covered with a sealing strip and then reinforced with a sealing strip placed at right angles across the middle of each joint or seam made by the ends of the outer flaps, except as provided in section 11 (f); or all outer joints, openings, or seams must be sealed with sealing strips and then reinforced with a sealing strip placed at right angles across the middle of each joint or seam made by the ends of the outer flaps, except as provided in section 11 (f).

(f) When two opposite flaps of boxes completely overlap each other and all flaps are firmly glued to each other throughout the entire area of contact sealing strips will not be required; or when the outer flaps of boxes meet but do not completely overlap and a liner of double-faced corrugated strawboard extending to both sides and ends of the box is placed inside the flaps, and the liner and all flaps are glued to each other throughout the entire area of contact, sealing strips will not be required. Or when boxes are constructed with four flaps on each end and the flaps are secured by a screw and cap, the neck projecting from the inside through each flap and the cap punctured through neck so that it can not be unscrewed, sealing strips will not be required; or when the ends of boxes are recessed, and a wooden frame made of strips not less than $\frac{1}{2}$ by 1 inch is set inside the recess, and the tops, bottoms, and sides are encircled by metal bands fastened with nails not more than 2 inches apart driven through strap and board into the frame, and the ends of metal bands secured by metal rivet, sealing strips will not be required.

(g) When boxes are constructed with four flaps on each end the flaps overlapping each other 2 inches or more and are secured by metal staples or stitches not more than 2 inches apart, ends must be sealed to sides by sealing strips.

(h) The flaps must not project over the sides of box.

Sec. 12. (a) Telescope boxes must be securely tied with heavy cord or tape completely encircling the box at least once around the ends and once around the sides, securely knotted at each crossing; the cover must extend entirely to the bottom of the box and the top must remain perfectly flat; the cover must be sealed to the bottom of the box at opposite sides with not less than two paper seals; seals to bear identification marks, to be not less than 2 by 6 inches in size and to have a resistance of not less than 60 pounds to the square inch, Mullen test.

(b) Two-piece boxes other than telescope boxes (see section 12 (a)) must be securely tied with heavy cord or tape completely encircling the box at least once around the ends and once around the sides, securely knotted at each crossing; the cover must be sealed to the sides of the box at opposite sides with not less than two paper seals; seals to bear identification marks to be not less than 4 by 8 inches in size, and to have a resistance of not less than 60 pounds to the square inch, Mullen test, or the tying will not be required if the cover extends not less than 3 inches over the sides and ends of the box, is firmly glued to the sides and ends of the box throughout the entire area of contact and a paper sealing strip not less than 4 inches in width and having resistance

of not less than 60 pounds to the square inch, Mullen test, completely covers and is firmly glued over all outer joints, openings, or seams.

(c) Three-piece boxes must be securely tied with heavy cord or tape, completely encircling the box at least once around the ends and once around the sides, securely knotted at each crossing; each cover must be sealed to the sides of the box at opposite sides with not less than two paper seals; seals to bear identification marks, to be not less than 4 by 8 inches in size and to have a resistance of not less than 60 pounds to the square inch, Mullen test; or the tying will not be required if each cover extends not less than 3 inches over the sides and ends of the box, is firmly glued to the sides and ends of the box throughout the entire area of contact and a paper sealing strip not less than 4 inches in width and having a resistance of not less than 60 pounds to the square inch, Mullen test, completely covers and is firmly glued over all outer joints, openings, or seams.

(d) Triple slide boxes must have the top and bottom of the inner slide firmly glued to the outer tube of the box throughout the entire area of contact.

Sec. 13. (a) Subject to the provisions of rule 8, section 2, and unless otherwise provided in separate description of articles, when the following requirements and specifications are fully complied with, articles, except as provided in section 13 (e);

(b) When shipped in fiber board or pulpboard drums (see section 13 (d)) will be rated the same as if shipped in wooden drums; or

(c) When shipped in fiber board or pulpboard pails (see section 13 (d)) will be rated the same as if shipped in wooden pails.

(d) The cylindrical container having either diameter or height of more than 15 inches (outside measurement) will be considered a drum. The cylindrical container having both diameter and height of 15 inches or less each (outside measurement) will be considered a pail.

(e) Glassware, other fragile articles, articles packed in glass or earthenware, liquids and articles that are not dry, will not be accepted for transportation in fiber board or pulpboard drums or pails.

(f) Subject to the provisions of rule 8, section 2, and unless otherwise provided in separate descriptions of articles, when the requirements and specifications of rule 42 are not fully complied with, the freight rates on articles in fiber board or pulpboard drums or pails shall be increased 20 per cent, with a minimum increase of 2 cents per 100 pounds above the rates applicable on such articles in drums or pails that do comply with the requirements and specifications of rule 42.

Sec. 14. (a) Fiber board or pulpboard used in making fiber board or pulpboard drums or pails may be single ply with the outer surface waterproofed, or if more than single ply must have all plies firmly glued together, the outer ply waterproofed, and no single ply less than 0.016 of an inch in thickness; and

(b) When the single ply or combined board in the body, bottom, and top is not less than 0.100 of an inch in thickness, having a resistance of not less than 300 pounds to the square inch, Mullen test, and in the rims is not less than 0.080 of an inch in thickness, having a resistance of not less than 175 pounds to the square inch, Mullen test (except as provided in section 14 (d)), the gross weight of the drum or pail and its contents shall not exceed 55 pounds (see sections 15, 16, 17, and 18 of this rule); or

(c) When the single ply or combined board in the body, bottom, and top is not less than 0.110 of an inch in thickness, having a resistance of not less than 375 pounds to the square inch, Mullen test, and in the rims not less than 0.100 inch

in thickness, having a resistance of not less than 250 pounds to the square inch, Mullen test, the gross weight of the drum or pail and its contents shall not exceed 90 pounds (see sections 15, 16, 17, and 18 of this rule); or

(d) When the single-ply or combined board, in the body and rims is not less than 0.080 of an inch in thickness, having a resistance of not less than 175 pounds to the square inch, Mullen test, and in the bottom and top is not less than 0.100 of an inch in thickness, having a resistance of not less than 300 pounds to the square inch, Mullen test, and the rims of the bottom and top meet, completely covering the body, the gross weight of the drum or pail and its contents shall not exceed 55 pounds (see sections 15, 16, 17, and 18 of this rule).

Sec. 15. Articles, except as provided for by section 13 (e), liable to loss from sifting or leakage, must be in bags, cans, or cartons, or the drum or pail must be lined with tough paper or cloth; articles must be so packed in the drum or pail as to completely fill it.

Sec. 16. (a) All fiber-board or pulpboard drums or pails that are made to conform to the requirements and specifications of this rule must bear certificate of drum or pail maker, labeled, printed, or stamped in ink, showing that the drums or pails do so conform; this certificate to be not less than 2½ by 4 inches and to be a facsimile of the following in form and style of type and wording:

CERTIFICATE OF DRUM OR PAIL MAKER			
THIS ■		IS MADE OF x	
FIBREBOARD OR PULPBOARD, OUTER SURFACE OR PLY WATERPROOFED			
THICKNESS NOT LESS THAN	{	TOP AND BOTTOM	INCH
		BODY	INCH
		RIMS	INCH
		EACH PLY	INCH
RESISTANCE (MULLEN TEST) SINGLE PLY OR COMBINED BOARD	{	TOP AND BOTTOM	PER SQ. INCH
		BODY	PER SQ. INCH
		RIMS	PER SQ. INCH
DIMENSIONS: HEIGHT		INCHES	DIAMETER
GROSS WEIGHT LIMIT			POUNDS
★			

■ Insert Drum or Pail, as the case may be

x Insert the number of plies

★ Insert the drum or pail maker's name and address

(b) Drums or pails must also show description of contents.

(c) When shipments are tendered for transportation in fiber board or pulpboard drums or pails conforming to the requirements and specifications of this rule, the shipper must certify on shipping orders and bills of lading as follows:

"The fiber drums or pails used for this shipment conform to the specifications set forth in the drum or pail maker's certificate thereon, and all other requirements of rule 42 of western classification."

Sec. 17. The fiber board or pulpboard forming the bodies of the drums or pails must lap at the joint or seam not less than 2 inches and be firmly glued together throughout the entire area of contact, and the joint or seam must be reinforced between the rims by metal rivets, staples, or stitches, at intervals of not more than 6 inches.

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Sec. 18. (a) The bottoms and tops of drums or pails must be made with rims 2 inches or over in depth, and overlap bodies the entire depth of rim; and

(b) Bottoms must be firmly glued to the bodies throughout the entire area of contact and reinforced by not less than 3 metal rivets, staples, or stitches, firmly clinched on inside; and

(c) Tops must be firmly glued to the bodies throughout the entire area of contact and sealed with four seals, not less than 2 by 6 inches in size, made of paper having a resistance of not less than 60 pounds to the square inch, Mullen test; seals must extend not less than 2 inches below the rim and must be firmly glued throughout the entire area of contact.

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No. 5991.

PACIFIC COAST GYPSUM COMPANY ET AL.

v.

OREGON-WASHINGTON RAILROAD & NAVIGATION
COMPANY ET AL.

Submitted March 13, 1914. Decided April 6, 1914.

Rates on lime and plaster from Seattle and Tacoma, Wash., to Portland, Oreg., not found to be unjustly discriminatory, as compared with rates from Lime and Gypsum, Oreg., to Portland and Puget Sound points, but the existence of rates eastbound in some instances twice as high as those for substantially the same distances westbound not found to be justified. The Oregon-Washington Railroad & Navigation Company will be expected to revise its rates from Seattle and Tacoma to points on its lines east of Portland.

Grosscup & Lee and *S. J. Wettrick* for complainants.

O. O. Calderhead and *S. V. Carey* for Public Service Commission of Washington, intervener.

Joseph N. Teal and *Robert J. Tracewell* for Pacific Lime & Gypsum Company, intervener.

S. A. Walker for Acme Cement Company, intervener.

A. C. Spencer, *W. A. Robbins*, *P. L. Williams*, and *H. A. Scandrett* for defendants.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

The complainants in this case are manufacturers of lime, plaster, and plaster products on or near Puget Sound. The Public Service Commission of Washington intervened in their behalf and the Pacific Lime & Gypsum Company, which manufactures the commodities named at Lime and Gypsum, Oreg., in behalf of the defendants.

The principal issue is that of unjust discrimination and is based on the existence of a higher scale of rates and a more restricted mixing privilege on lime, plaster, and plaster products from Seattle and Tacoma, Wash., to points in Oregon, eastern Washington, and Idaho on the lines of the Oregon-Washington Railroad & Navigation Company, Camas Prairie Railroad, and Oregon Short Line Railroad, than from Lime and Gypsum, Oreg., to Portland, Oreg., and other consuming points in the northwest. The rates from Seattle and Tacoma are also alleged to be unreasonable in themselves. The testimony referred principally to Portland, said by complainants to be

the largest and most attractive market for the commodities named in the northwest.

Only the carriers stated are made defendants, and their defense is that competition at Puget Sound points and at Portland and the preponderance of the empty-car movement from Huntington, Oreg., westbound, justify the lower basis of rates from Lime and Gypsum.

The Pacific Coast Gypsum Company is engaged in the manufacture of plaster and plaster products at Tacoma, gypsum rock being brought by water from Alaska. The other complainants are manufacturers of lime, and with one exception their plants are located on San Juan and Orcas Islands, about 75 miles north of Seattle. The plant of the International Lime Company is at Limestone, Wash., a point on the Bellingham & Northern Railway, 32 miles northeast of Bellingham, Wash., the latter being 97 miles north of Seattle.

From Seattle the line of the Oregon-Washington Railroad & Navigation Company, hereinafter referred to as the Oregon-Washington Railroad, runs south through Tacoma to Portland, 180 miles, thence east along the south bank of the Columbia River to Umatilla, Oreg., 187 miles, thence southeast to Huntington, at which point it connects with the Oregon Short Line, 217 miles. Lime is intermediate to and 4 miles less distant than Huntington from Portland, and Gypsum is 7 miles from Huntington on a branch of the Oregon Short Line running northeast from the latter point. From Umatilla and Pendleton, Oreg., the latter being 44 miles southeast of the former on the line to Huntington, lines of the Oregon-Washington Railroad run northeast and serve the southeastern corner of Washington and northern Idaho, Spokane being the most northern point in eastern Washington reached.

The line of the Oregon-Washington Railroad from Seattle to Portland is but 5 miles shorter than the line between those points operated jointly by the Great Northern and Northern Pacific railways. The Great Northern is the short line from the Puget Sound points to Spokane, the haul being intrastate and from Seattle approximately 340 miles. The line of the Oregon-Washington Railroad between those points is longer by about 270 miles.

The rate on lime from Seattle and Tacoma to Portland is 10 cents per 100 pounds, minimum 40,000 pounds. It appears, however, that lime is not manufactured at either of these points, but is shipped from San Juan and Orcas Islands to Portland upon a through rate, which is not before us, of 13½ cents per 100 pounds, minimum 50,000 pounds. Of this rate the water carriers, one of which is owned by the Roche Harbor Lime Company, a complainant herein, receive as their proportion their local rate of 5 cents to Puget Sound points. The rail lines absorb wharfage charges of 2½ cents per 100 pounds, and the Oregon-Washington Railroad, which has no wharves at

either Seattle or Tacoma, absorbs in addition switching charges of \$3 per car.

Tacoma is the only Puget Sound point at which plaster is manufactured, and the local rate to Portland is $7\frac{1}{2}$ cents per 100 pounds, minimum 60,000 pounds. The rate on mixed carloads of lime and plaster from Tacoma and Seattle to Portland is 14 cents per 100 pounds, minimum 30,000 pounds.

With but few exceptions the rates from Seattle and Tacoma to the destinations involved are the same, the rates on plaster usually being higher than those on lime, but being applicable on cement, except mortar color, stucco, plaster, including adamant plaster, and roofing pitch, in straight or mixed carloads or in carloads with lime. The minimum generally applicable on both lime and plaster is 30,000 pounds.

The rates from Lime and Gypsum are the same, and cars originating at the latter may be stopped without extra charge at the former to complete loading. The tariffs carrying rates from these points to the west name 18 commodities which may be shipped in straight or mixed carloads, but it is contended by the defendants and the manufacturers located at those points that but three commodities are embraced—lime, plaster, and gypsum tile for fireproofing. The defendants, however, have agreed to establish this mixing privilege from Seattle and Tacoma in connection with the rates applicable from those points on plaster and the minima applicable from Lime and Gypsum, and in addition to make this privilege applicable in connection with the rate of 10 cents from the Puget Sound points to Portland.

Optional rates are published from Lime and Gypsum to Tacoma, Seattle, and other points on the lines of the Oregon-Washington Railroad north of Portland— $17\frac{1}{2}$ cents, minimum 60,000 pounds, and 15 cents, minimum marked capacity of car but not less than 80,000 pounds, the latter rate, together with the present mixing privilege, having been established in April, 1913. The rate to Pendleton, 169 miles from Lime, of $12\frac{1}{2}$ cents per 100 pounds, is blanketed 230 miles to and including Portland, and 251 miles to and including Spokane. The minimum generally applicable from Lime and Gypsum is 60,000 pounds, or twice that from Seattle and Tacoma.

The application of the $12\frac{1}{2}$ -cent rate from Lime and Gypsum to Portland as maximum to intermediate points results in lower rates to points east of Portland than apply from Seattle and Tacoma, in some cases for longer distances. For instance, The Dalles and Arlington, Oreg., points 312 and 258 miles from Lime and 230 and 284 miles, respectively, from Tacoma, are included in the blanket referred to, whereas from Seattle and Tacoma the rates are 14 and 18 cents on lime and 17 and 22 cents, respectively, on plaster. The complain-

ants point to the fact that the rate on lime from Seattle and Tacoma to Huntington is 31 cents, while the rate in the reverse direction for substantially the same haul is 15 cents. This great disparity is due partly to the fact that owing to competition at the western termini the rates are blanketed for long distances, while eastbound they increase with the distance. In making these comparisons it should be borne in mind, however, that the distance from Seattle is 38 miles greater than that from Tacoma, while Gypsum is but 11 miles beyond Lime.

Between Portland and Umatilla there are four branches of the Oregon-Washington Railroad extending south into Oregon. Rates from the Puget Sound points to the southern termini of three of them exceed the rates to the main-line junction points by amounts not greater than the differences between similar rates from the Oregon plants. To Bend, Oreg., the terminus of the fourth branch, which runs from Sherman, 106 miles east of Portland, the rates from Seattle and Tacoma are 31 cents on lime and $37\frac{1}{2}$ cents on plaster, or 16 and $20\frac{1}{2}$ cents, respectively, higher than the rates to Sherman, whereas the rate from Lime and Gypsum to Bend is 20 cents, or but $7\frac{1}{2}$ cents higher than the Sherman rate. Bend is 440 miles from Lime and 395 miles from Tacoma; it is 147 miles from Sherman.

The rate to Spokane from the Puget Sound points is 24 cents on lime and 30 cents on plaster. It does not appear, however, that the complainants have any substantial interest in these rates, as they expressed no dissatisfaction with the rate of 20 cents on lime to Wenatchee, Wash., a point on the Great Northern 174 miles from Tacoma and taking the same rate from Spokane, a distance of 206 miles. The rate on lime and plaster to Spokane from Great Falls, Mont., is 15 cents and the mixing privileges are the same as those from intervener's mills. The present rate of $12\frac{1}{2}$ cents from Lime and Gypsum was established, it is stated, to enable the plants at those points to enter the Spokane market.

As stated, most of the lime manufactured by complainants is brought to Puget Sound points by water at a rate of 5 cents per 100 pounds. This commodity is also brought by water from Blubber Bay and other points in British Columbia. Plaster is likewise shipped by water to Puget Sound points from Tacoma and in addition comes from Nevada through California, the rate from Mound House, Nev., to San Francisco being \$2 a ton and thence by water \$1.50 a ton. Tramp steamers make rates from San Francisco to Puget Sound which range from \$1 to \$1.25 a ton.

Lime and plaster move only in box or furniture cars. The statements introduced in evidence by defendants show that for the period from July 1, 1911, to October 31, 1913, the Oregon-Washington Rail-

road received from the Oregon Short Line at Huntington 15,816 and delivered to it but 144 empty cars of the character referred to.

Transportation from Lime and Gypsum to Portland and intermediate points is wholly within the state of Oregon, and the complaint therefore brings in issue the right of this Commission to order the removal of unjust discrimination against interstate and undue preference to intrastate traffic. There is now before the Supreme Court of the United States a case in which the Commission held, and the Commerce Court upheld its view, that section 3, forbidding unjust discrimination, applies as well when one of the hauls is intrastate as when both are interstate. *Railroad Commission of La. v. St. L. S. W. Ry. Co.*, 23 I. C. C., 31; 205 Fed., 380. In view of the disposition of the present case no discussion of this question is necessary.

Upon consideration of the facts of record we are not of opinion that the adjustment to Portland and points north thereof from the respective points of origin subjects complainants to unjust discrimination, or that the rates from Lime and Gypsum to those points, which are made to meet actual and substantial competition, should be used as the measure for rates eastbound. However, considering all the circumstances surrounding the movement in both directions, we are of opinion that rates from the Puget Sound points to points east of Portland upon a scale in some cases twice as high as in the reverse direction are not justified and that the defendant, the Oregon-Washington Railroad & Navigation Company, should establish rates from Seattle and Tacoma to Huntington of not to exceed 24 cents on lime and 27 cents on plaster, with rates to intermediate points graded up to those amounts. We are also of opinion that rates should be established from Seattle and Tacoma to Bend not higher than those to Sherman by more than $7\frac{1}{2}$ cents per 100 pounds.

At the argument it was stated on behalf of defendants that a reduction in the eastbound rates would not impair the revenues of the Oregon-Washington Railroad & Navigation Company, as there had not been, and probably would not be, any substantial movement to points east of Portland.

This carrier will be expected to submit a scale of rates in line with the above conclusions and to establish from Seattle and Tacoma the mixing privilege now enjoyed by shippers from Lime and Gypsum. The case will be held open for this purpose.

No. 5191.
ANDERSON-TULLY COMPANY ET AL.
v.
MORGAN'S LOUISIANA & TEXAS RAILROAD & STEAMSHIP
COMPANY ET AL.

Submitted May 22, 1913. Decided April 13, 1914.

Rules enforced at New Orleans, La., for the assessment against steamship companies of demurrage charges on shipments of forest products moving on through export bills of lading via that port not found to unjustly discriminate against shipments moving to the port on local bills of lading for export. Complaint dismissed.

John R. Walker for complainants.

Edgar M. Cahn and *Louis Palmer* for Lumbermen's Association of New Orleans, intervener.

J. P. Blair, *H. A. Scandrett*, and *James G. Wilson* for Morgan's Louisiana & Texas Railroad & Steamship Company.

Fred H. Wood for St. Louis & San Francisco Railroad Company and New Orleans, Texas & Mexico Railroad Company.

Henry G. Herbel, *Fred G. Wright*, and *N. M. Leach* for St. Louis, Iron Mountain & Southern Railway Company and Texas & Pacific Railway Company.

H. B. Helm and *E. O. D. Marshall* for Louisiana Railway & Navigation Company.

A. D. Lightner for New Orleans, Mobile & Chicago Railway Company.

J. H. Townshend for Memphis Lumbermen.

REPORT OF THE COMMISSION.

CLARK, *Commissioner*:

Carriers operating west of the Mississippi River, finding it increasingly difficult to secure prompt release at New Orleans of equipment reaching that port, loaded with forest products for export, proposed, effective October 15, 1912, to discontinue the issuance at interior points of through export bills of lading for forest products, except in conjunction with steamship lines which would agree to assume the expense of demurrage at New Orleans. The steamship companies at first declined to enter into such an agreement, and shipments of forest products from west of the west bank of the Mississippi River had to be moved on local bills of lading to the port. This situation led to the filing of the original complaint in this case, which had for its basis alleged discrimination against forest products and shippers

thereof. Subsequently the steamship companies, practically without exception, consented to the payment of demurrage under conditions hereinafter stated, and on March 3, 1913, the issuance of through export bills of lading was resumed. The demands of the complainants were thereby substantially satisfied and on their motion an order of dismissal was entered.

During the progress of the case, and prior to the date when the agreement was put in force, the Lumbermen's Association of New Orleans intervened, alleging that the basis under which demurrage on through bill of lading shipments was to be assessed against and paid by the steamship companies constituted unjust discrimination against intervener's members and other exporters handling shipments of forest products to New Orleans on local bills of lading. No opinion having been expressed by the Commission concerning the issue thus raised, intervener petitioned for the reinstatement of the cause on the Commission's docket for the purpose of securing a definite decision. This petition was granted, and the case is now before us for determination of this issue.

Obviously the controversy is one arising largely from the ever-existing rivalry between exporters doing business on through export bills of lading and those at the ports who conduct their business on so-called local bills of lading for export. As to New Orleans, the latter class has for years had the benefit of 10 days' free time on forest products for export, with demurrage or storage charges thereafter. There is no attack here upon the practice or the rules of the carriers in this respect, but petitioner conceives that through bill of lading shippers will, under the new regulations, have an undue advantage, a contention which seems to disregard the fact that previous to the establishment of the present arrangement no demurrage was assessed against either the shipper or the steamship company on through bill of lading shipments, unlimited free time being allowed.

The same underlying questions were considered by us in *New Orleans Board of Trade v. I. C. R. R. Co.*, 17 I. C. C., 496. We there entered into detail with respect to the physical conditions and the methods employed in the handling of export traffic at the port of New Orleans and discussed the advantages and disadvantages incident to, as well as the reasons actuating shippers in, the respective use of through export bills of lading and of local bills of lading for export. We stated at page 497:

Complainants abandoned the claim of unjust discrimination as not of importance, fearing that if that were found its removal might result in imposing the same charges against shipments on through export bills of lading. However, this feature has an important bearing upon the determination of whether five or fifteen days, free time after giving disposition, shall be allowed.

and at page 502:

No unjust discrimination has been shown, either as compared with through shippers or with other Gulf or Atlantic ports.

In *Galveston Commercial Asso. v. A. T. & S. F. Ry. Co.*, 25 I. C. C., 216, dealing with the question of the exaction of demurrage charges on shipments handled on through export bills of lading, we stated at page 222:

We are clearly of the opinion that it is not only the right, but the plain duty of these carriers to devise some method by which the prompt unloading of their equipment will be secured. As servants of the general public they have no right to suffer their cars which are needed in other service to be tied up for long periods in storing this export freight, nor have they the right to permit their terminal facilities to be so congested that freight can not be promptly handled through the port of Galveston. By some proper and reasonable rule and regulation in the nature of a demurrage charge these carriers should secure the release of this equipment.

It was pointed out that the demurrage charges should properly be made to rest upon the ship agent, and held that it would constitute undue discrimination not to impose substantially equivalent demurrage charges at New Orleans and at Galveston and other Texas ports. Whether or not the arrangement at New Orleans was consummated in order to give effect to the views expressed in the *Galveston case*, it is substantially in consonance therewith and convincing reasons must be shown for any disturbance thereof.

Defendants' tariffs provide that through bills of lading on cotton, cotton linters, and forest products, for export, when originating in the territory west of the west bank of the Mississippi River, will be issued only in connection with steamship lines whose agents sign the agreement to pay to the carriers all demurrage charges on the same terms and conditions as provided for in demurrage rules and regulations filed by the carriers with this Commission for shipments moving for export, and not on through bills of lading, with the exceptions and on the conditions stated. The conditions and exceptions are those provided in the agreement which is published as a part of the tariffs, and the particular items said to constitute exceptions to the general demurrage rules and to effect unjust discrimination against local bill of lading shipments to the advantage of shipments made on through bills of lading are—

1. That on through shipments, on which order to place at unloading wharves was given prior to 6 p. m. of the ninth day of free time, the time should be computed as though the cars were unloaded on the following day, provided there is room on such wharf on which to unload.

2. That when a through bill of lading has been issued on contract properly confirmed, and through fault of the rail carrier such shipments do not arrive in time to load on the vessel intended, free time shall extend until 10 days after the date set for accepting notice of arrival for the next following vessel.

3. That the demurrage on all through bill of lading shipments loaded in a certain vessel will cease upon the date such vessel begins to take on cargo at its first loading berth.

It is stated that forest products reaching New Orleans on local bills of lading and intended for subsequent water carriage to a foreign port, will not be accepted by the carrier for delivery to the Public Belt and switching to the city wharves, there to be loaded on board vessel, until the o. k. of the shipmaster is given; that is, until the shipmaster indicates willingness and readiness to take the shipment. Intervener sees in such a situation opportunity to give undue preference to through bill of lading shipments in order to avoid payment of demurrage charges for which the steamship companies under the agreement assume liability. It is not alleged that any such preferential handling of through bill of lading shipments or prejudicial treatment of local bill of lading shipments has resulted, the demurrage agreement and rules as applied to through bill of lading shipments not having become effective at the time of the hearings, but it was apprehended that the steamship companies would naturally look first to their own interests.

In the *Galveston case, supra*, we held that at least six days free time should be allowed, and stated, at page 231, in view of the ship agent's lack of control of the movement of cars after they are ordered forward to the pier—

We think it would be reasonable to assume in the computation of time that when a car is ordered forward on or before 6 o'clock in the evening of a given day the time shall be computed as though the car were unloaded during that day, and in fixing the period of six days we have had the application of this rule in mind.

The free time begins running from 7 o'clock in the morning following the service of notice of the arrival of the car upon the consignee. If, now, the consignee before 6 o'clock in the evening of the sixth day orders the car placed for unloading, the car shall be treated as unloaded during the sixth day and no demurrage assessed against it, provided there is room upon the pier to unload it.

At New Orleans, with an allowance of 10 days' free time, defendants apply the same principle; and where an order for placing a car at the unloading wharf is given prior to 6 p. m. of the ninth day, the free time is computed as though the car were unloaded on the tenth day.

As to the provision that where through bill of lading shipments under contracts properly confirmed are delayed by carriers beyond the time for loading on the intended vessel, the free time shall extend until 10 days after the date set for accepting notice of arrival for the next following vessel, counsel for intervener stated in argument:

I am frank to say that I do not dispute the justice of that regulation *per se*. The discrimination against us, because we have not got the same thing, is somewhat speculative.

30 I. C. C.

Manifestly, the steamship company would not be liable for demurrage accruing because of such delay, and the regulation appears to be a fair one. Shipments on local bills of lading are not ordinarily made conditioned on delivery for specific loading, nor are they otherwise subject to the limitations set in connection with the transportation of through bill of lading shipments.

The exception under which provision is made for the cessation of demurrage on all shipments loaded in a vessel on the date that vessel begins to take on cargo at its first loading berth specifies that this is due to local conditions at New Orleans requiring the movement of the vessel from one wharf to another. These local conditions were alluded to in the *New Orleans Board of Trade case, supra*. The major part of the New Orleans river front is under the control of the New Orleans Dock Board, which assigns wharf space to the various steamship companies for preferential but not exclusive use. The railroad companies can only reach these wharves through the medium of the Public Belt, a railroad agency of the municipal government. The storage yards of the railroads are either on the opposite side of the Mississippi River or in the outskirts of the city. Beyond the upper end of the public docks are the private docks of the Illinois Central Railroad Company, beyond the lower end are the Chalmette docks of the New Orleans Terminal Company, used by the New Orleans, Texas & Mexico Railroad (Frisco lines), Louisiana Railway & Navigation Company, and New Orleans & Northeastern Railroad, and on the west side of the Mississippi River are the Algiers docks of the Southern Pacific Company and the Westwego docks of the Texas & Pacific Railway Company. The unloading of freight on these railroad docks is under the control of the railroad companies, but the receipt of the unloaded freight by the vessels is subject to the dictation of the steamship companies. The latter may take a full cargo from the public docks or from one or more of the private docks, or may take portions of a cargo from several docks. The railroad companies can not compel delivery upon the steamship companies' wharves through the Public Belt, nor can they require the steamship companies to call at their private wharves. The amount and character of the cargo to be loaded on any vessel are determined by the steamship company according to the conditions prevailing in each case. Forest products arriving on through bills of lading may be hauled to the carrier's private dock and there taken by the steamship company, or may have to be subsequently switched from the carrier's dock to the public docks. The export shippers at New Orleans have no yard facilities of their own, and shipments for them reaching New Orleans on local bills of lading are held by the railroads until orders are given for forwarding to the public docks. The

local exporter has the privilege of inspecting, grading, and otherwise handling his shipments at New Orleans and may, as occasion requires, dispose of shipments to the domestic trade or reship to any foreign port, and via any steamship line with which he can make arrangements. For these and other reasons we think that the exception made in the case of through bill of lading shipments is justified.

In the *New Orleans Board of Trade case, supra*, the following comparison was shown with respect to the detention of cars of export forest products at New Orleans:

	Lines west of the Mississippi River.				Lines east of the Mississippi River.			
	Through b. l. shipments.		Local b. l. shipments.		Through b. l. shipments.		Local b. l. shipments.	
	Cars.	Average detention.	Cars.	Average detention.	Cars.	Average detention.	Cars.	Average detention.
March to August, 1906, inclusive.....	394	Days. 11.88	1,802	Days. 11.77	1,069	Days. 15.80	5,337	Days. 12.94
March to August, 1907, inclusive.....	233	15.36	1,600	15.93	1,733	14.23	5,017	10.96

In the instant case it is shown that for the calendar year 1912 the aggregate number of cars of forest products handled through the port of New Orleans on through bills of lading by the Texas & Pacific Railway, Morgan's Louisiana & Texas Railroad & Steamship Company, Louisiana Railroad & Navigation Company, New Orleans, Texas & Mexico Railroad, and New Orleans, Mobile & Chicago Railroad, added to the movement for six months via the New Orleans & Northeastern Railroad, was 4,070, on which there was an average detention of 34.57 days. For the same period the same lines handled into New Orleans on local bills of lading for export 4,352 cars, on which there was an average detention of 10.9 days. On the Southern Pacific the average detention on through bill of lading shipments was 44.7 days, and on local bill of lading shipments 11½ days. It will be observed that as to local bill of lading shipments there was a decrease in the average period of detention, while the detention period as to through bill of lading shipments increased materially. From this record it is evident that there was need for some regulative measure which would insure the more expeditious release of equipment containing through bill of lading loads.

We shall not enter into a discussion of the numerous phases of intervener's testimony and argument, further than to say that what we are now asked to do is to give consideration to the speculative effects of regulations which had not been tried out at the time the testimony was offered. Briefly, it may be stated no change is made

in the demurrage regulations or charges governing shipments moved under local bills of lading for export and the shipper under through export bills of lading is still exempt from the payment of demurrage at the port. The defendants have merely exercised their right to impose upon the steamship companies penalties for the detention of equipment bearing through export lading, and intervener fears that the exercise of this right will adversely affect the interests of its members. We found in the *New Orleans Board of Trade case, supra*, that rules for assessing demurrage and storage charges at New Orleans against shipments of forest products moving on local bills of lading for export were not unjustly discriminatory as compared with the grant of unlimited free time on shipments moving under through export bills of lading, and since the present record affords no ground for setting aside that finding, it follows that the complaint must be dismissed.

An appropriate order will be entered.

80 I. C. C.

No. 5960

IN THE MATTER OF A PROPOSED BOND ISSUE BY THE
NEW YORK CENTRAL & HUDSON RIVER RAILROAD
COMPANY.

April 13, 1914.

By direction of Senate resolution the Commission reports to the Senate the facts, and its opinions on certain questions raised thereby, in connection with the New York Central & Hudson River Railroad Company's proposal to consolidate with that company the Lake Shore & Michigan Southern Railway Company and certain of its owned or controlled lines, and to refund \$90,578,400 of the New York Central Company's Lake Shore collateral 3½ per cent bonds with the consolidated company's 4 per cent mortgage bonds in consideration for the consent of these bondholders to the consolidation.

REPORT OF THE COMMISSION TO THE SENATE OF THE UNITED STATES.

BY THE COMMISSION:

The Interstate Commerce Commission has the honor to report the result of its investigation, conducted pursuant to the resolution of the Senate of July 10, 1913, reading as follows:

Resolved, That the Interstate Commerce Commission be instructed to investigate, if it has not the information now in hand, and report to the Senate, all the facts and circumstances connected with the proposed issue by the New York Central & Hudson River Railway, of 4 per cent mortgage bonds for \$167,102,400, for the purpose of taking up outstanding 3½ per cent bonds now existing against said railroad and the stock of the Lake Shore and Michigan Central Railways.

That the Commission be instructed to furnish the Senate with the date and amount of all said 3½ per cent mortgage bonds, the reason for their issue, when they mature, whether the issuing of the said 4 per cent bonds for the said 3½ per cent bonds will not be an unwarranted and illegal capitalization of said railroads, whether the proposed consolidation of said railroads involved in the said proposed issue of 4 per cent bonds would not be unwarranted and unlawful, and whether the increase of the rate of interest thus proposed by the issuing of said 4 per cent bonds is necessary, even though the consolidation of said railroads is unobjectionable.

The New York Central & Hudson River Railroad Company will be referred to in this report as the New York Central, the Lake Shore & Michigan Southern Railway Company as the Lake Shore, and the Michigan Central Railway Company as the Michigan Central.

The \$167,102,400 of bonds referred to in the Senate resolution constitute the total of the New York Central's Lake Shore collateral bonds for \$90,578,400, issued in 1898, to mature in 100 years, in payment for about 90 per cent of the stock of the Lake Shore at \$200 a share; its Michigan Central collateral bonds for \$19,336,000, issued in 1898, to mature in 100 years, in payment for about 90 per cent of the

stock of the Michigan Central at \$114 a share; its debenture bonds for \$48,000,000, issued in 1904, to mature in 30 years; and its debenture bonds for \$9,188,000, issued in 1912, to mature in 30 years. The Lake Shore and Michigan Central collateral bonds bear interest at $3\frac{1}{2}$ per cent; the debenture bonds at 4 per cent. The par value of the stock purchased as above shown is \$100 a share. The Lake Shore collateral bonds are secured by pledge of the Lake Shore stock, and the Michigan Central collateral bonds by pledge of the Michigan Central stock, for which they were issued in payment. None of the bonds mentioned, collateral or debenture, is secured by mortgage, but as to all of them the New York Central is bound by covenant contained in the respective indentures under which they were issued to secure them in any future mortgage which it may place upon its property. The New York Central is also bound by the further covenants not to consolidate the Lake Shore with the New York Central without first obtaining the written consent thereto from the holders of three-fourths of the Lake Shore collateral bonds, and not to vote the stock of the Lake Shore in favor of any increase in the Lake Shore's capital stock, which is \$50,000,000. Similar covenants in the two respects last noted are contained in the indenture under which the New York Central's Michigan Central collateral bonds were issued.

The New York Central extends from New York to Buffalo and the Lake Shore from Buffalo to Chicago. The New York Central now desires to consolidate the Lake Shore with the New York Central, not only in the interest of the through traffic of the two companies between New York and Chicago, but more particularly in the interest of simplicity and strength in the financing of the two companies. The Lake Shore owns all of the stock of the Toledo & Ohio Central Railway Company; of the Chicago, Indiana & Southern Railroad Company; and of the Jamestown, Franklin & Clearfield Railroad Company; and a trifle more than 50 per cent of the stock of the Pittsburgh & Lake Erie Railroad Company and of the New York, Chicago & St. Louis Railroad Company. The New York Central intends to include all of these companies so owned or controlled by the Lake Shore, together with certain of their subsidiaries, in the consolidation, except the New York, Chicago & St. Louis Railroad Company. The capital stock and bonded debt of the principal companies which the New York Central proposes to consolidate are as follows:

Company.	Stock.	Bonds.
New York Central & Hudson River R. R. Co.....	\$225,581,100	\$201,211,400
Lake Shore & Michigan Southern Ry. Co.....	50,000,000	150,000,000
Pittsburgh & Lake Erie R. R. Co.....	29,988,000	4,000,000
Toledo & Ohio Central Ry. Co.....	10,208,000	8,500,000
Chicago, Indiana & Southern R. R. Co.....	20,000,000	20,000,000
Jamestown, Franklin & Clearfield R. R. Co.....	3,000,000	11,000,000

Included in the \$291,211,400 of the New York Central's bonds shown in the above table are the \$167,102,400 of bonds referred to in the Senate resolution.

The New York Central states that the proportion of bonds to stock of the Lake Shore approaches closely the limit of separate and economic financing of that property, and that the situation as to the Lake Shore is further complicated by the restriction mentioned with respect to any future increase in its capital stock. The New York Central proposes to provide for the issuance, following the consolidation of bonds secured by mortgage on the combined properties, to be available for refunding the present bonded debt of the two companies and for additional future capital needs of the consolidated company so far as those needs are to be met by the sale of bonds. It represents that such a simplified series of bonds, each of equal lien, would find readier confidence with the investing public than would the separate issues of the two companies, each subject to previous issues of prior lien, and that they would soon become established in the market as the consolidated company's standard bonds.

The issue of \$167,102,400 of bonds referred to in the Senate resolution is but a step in this general plan of future financing of the two properties. The New York Central proposes to secure those bonds by mortgage on the property of the New York Central, and, following the consolidation, by mortgage on the property also of the Lake Shore, under what the New York Central designates its consolidation mortgage. It has been explained that the New York Central is bound by covenant of indenture to secure by mortgage its Lake Shore collateral bonds, its Michigan Central collateral bonds, and its debenture bonds of 1904 and of 1912 before it may place other mortgages on its property, and it is to carry out this promise that it proposes to execute the consolidation mortgage. This mortgage restricts the issuance of bonds thereunder to the exact amount of these collateral and debenture bonds, that is, to the total of the \$167,102,400 referred to in the Senate resolution, and provides that the New York Central may, following the consolidation, issue 4 per cent bonds thereunder in exchange for all or any part of those bonds. The final bond which the New York Central contemplates as its standard consolidated company security it proposes to authorize and secure by another mortgage, which it terms its general refunding and improvement mortgage. This mortgage authorizes the issuance of bonds sufficient in amount to refund all prior indebtedness of the consolidated company, including the consolidation mortgage bonds, and to provide for such future bonds as may from time to time be required for the consolidated system. Its only restriction is that there shall at no time be outstanding thereunder bonds exceeding in amount three times the capital stock of the consolidated company, and that additional bonds beyond

\$500,000,000 may be sold only to the extent of 80 per cent of the cost of needed improvements. The New York Central estimates that the consolidated company will require within the next 10 years \$350,000,000 of new money for addition and improvement purposes, a sum which would increase the present bonded debt of the consolidated company to more than \$800,000,000. Unless increased in the meantime, there would be then outstanding against the consolidated company \$275,581,100 of capital stock. The consolidation would have the effect of removing the present restriction with respect to the increase of the Lake Shore's capital stock. It is therefore problematical what the stock and bond capitalization of the consolidated company under the proposed plan would eventually be.

We have explained that this general plan of future financing of the two companies is dependent upon the consolidation taking place, and that the consolidation is contingent upon the New York Central obtaining the written consent thereto from the holders of three-fourths of the Lake Shore collateral bonds. In December, 1911, the New York Central in order to procure that consent offered to secure these bonds by mortgage on the property of the New York Central, and, following the consolidation, on the property also of the Lake Shore, in conformity with the covenant mentioned, and to provide for the payment of certain taxes on these bonds under the New York law. In response to this proposal consents representing only \$20,500,000 of the required \$67,933,800 were received. In May, 1913, the New York Central offered, in addition to the mortgage security of the first offer, to extend to these bondholders the opportunity, following-consolidation, of exchanging their 3½ per cent collateral bonds for 4 per cent consolidation mortgage bonds. As the collateral bonds have 84 years yet to run, the exchange would have the effect of adding annually to the fixed charges of the consolidated company for that period \$452,892 if the entire issue should be exchanged, and \$339,669 if the offer should be withdrawn after securing consents only of the necessary three-fourths. The New York Central proposes this increase in interest rate to be effective under its present plan only as to the \$90,578,400 of the \$167,102,400 mentioned in the Senate resolution which represents its Lake Shore collateral bonds. While the New York Central concedes that it reserves the right under the consolidation mortgage to make the same offer of exchange to holders of its Michigan Central collateral bonds and of its debenture bonds of 1904 and of 1912, also secured under that mortgage, it declares that it has no present intention of including the Michigan Central in the consolidation, and therefore no present intention of offering the opportunity of exchange to the holders of those bonds. Its debenture bonds of 1904 and of 1912 now bear interest at 4 per cent.

We have stated that the New York Central states its main object in consolidating to be not so much to effect economy in operation of

the two companies as to afford a broader basis for their future financing. Nevertheless, it represents to us that by the consolidation substantial savings can be made. It estimates that perhaps \$325,000 a year can be saved by unification and simplification of accounting, by the elimination of interline records, reports, printing, etc., incident to the consolidation. It also represents that perhaps \$200,000 annually can be saved under the federal income tax law; for example, the present triplicate taxation under that law of the 50 per cent of Pittsburgh & Lake Erie Railroad Company's dividends that pass first to the Lake Shore and finally, to the extent they enter into 90 per cent of the Lake Shore's dividends, to the New York Central, will be stopped, and only the one tax thereon as part of the earnings of the consolidated company be required. Finally, it expresses the opinion that by reason of greater public confidence in a bond of the consolidated company over separate bonds of the two companies the saving to it in interest charges in connection with the sale of new bonds under the refunding and improvement mortgage will more than offset the annual increase of \$452,892 in interest charges which it proposes to pay as a maximum to the Lake Shore collateral bondholders for their consent to the consolidation.

It seems probable that by the consolidation a substantial saving can be effected, possibly a sum equal to that last above stated.

We think that from the standpoint of economy in operation and facility in the future financing of the two companies the consolidation is warranted. Neither the consolidation itself nor the exchange of bonds on the basis of increased interest rate indicated, incident thereto, would, so far as we are advised, offend any federal statute. The question whether the exchange of the Lake Shore collateral bonds on that basis is warranted will be answered by our reply to the Senate resolution's further question, whether the exchange as proposed is necessary even though the consolidation of the two companies be found unobjectionable. We have stated that, in response to the New York Central's first offer to the holders of its Lake Shore collateral bonds of a mortgage security for their bonds in consideration for their consent to the consolidation, consents representing only about \$20,500,000 of the required \$67,933,800 were received. On the date the taking of testimony before us was concluded most of the required consents had been secured under the New York Central's second offer of an increased interest rate in addition to that security. We have been since advised by the New York Central, by letter, that the necessary consents have been received. We think that as a practical matter the exchange of the 3½ per cent Lake Shore collateral bonds for 4 per cent consolidation mortgage bonds is, under the circumstances disclosed, a necessary step in the carrying out of the proposed consolidation plan as outlined to us by the New York Central.

What we here say is aside from any question as to the necessity or advisability of federal control of the issuance by railroads of their securities or, in lieu of that control, of a requirement for full measure of publicity with respect thereto. Whether one or the other of these measures or some other provision looking to the same purpose should be enacted into law is a question we deem it unnecessary to discuss in this report. We have under existing law no jurisdiction or control over such matters. We have expressed our views on the subject in previous reports.

The execution of the mortgages referred to herein, and the issuance of bonds thereunder, are subject to the approval of the Public Service Commission of the state of New York (Second District) and of the Board of Public Utility Commissioners of the state of New Jersey. They have approved the execution of both mortgages. This approval does not extend, however, to the issuance of bonds thereunder or to the consolidation itself. Separate applications must be made for those purposes, and the application to consolidate can not be made unless and until the necessary consent of stockholders has been secured. Since the taking of testimony before us has been concluded an application made by the New York Central to the New York and New Jersey authorities for leave to issue \$70,000,000 of bonds under the refunding and improvement mortgage to refund certain short-term notes that mature in 1914 has been granted.

Certain New York Central stockholders have objected to the proposed consolidation, not only on the ground that the increase in interest rate on the Lake Shore collateral bonds is unwarranted and, as they state, in violation of statutes of the state of New York in certain respects, but also because, as they allege, the consolidation will violate the Sherman antitrust act unless prior thereto the New York Central disposes of its stock in the Michigan Central and in certain lake lines between Buffalo and Chicago, and Buffalo and Detroit, and unless also the Lake Shore first disposes of its stock in the New York, Chicago & St. Louis Railroad. These stockholders state that the Michigan Central, the New York, Chicago & St. Louis Railroad and these lake lines are competing routes with the Lake Shore. We think this question is one more properly to be passed upon by the Department of Justice, and as to it we therefore express no opinion. However, it would seem that if this ownership of stock in parallel lines by the New York Central and Lake Shore violates the antitrust law, the offense is as complete now as it would be after the consolidation. The New York Central's relation to lake lines will be considered in connection with cases before us under the Panama Canal act.

FOURTH SECTION APPLICATIONS Nos. 458, 461, 484, 540, 542, 601, 602, 603, 703, 769, 782, 799, 915, 972, 1021, 1024, 1477, 1478, 1479, 1530, 1548, 1561, 1573, 1594, 1625, 1782, 1952, 2025, 2043, 2045, 2138, 2172, 2234, 3912, 3918, 3965, 4048, 4218, AND 4984.

FOURTH SECTION VIOLATIONS IN THE SOUTHEAST.

IN THE MATTER OF APPLICATIONS FOR RELIEF FROM THE PROVISIONS OF THE FOURTH SECTION OF THE ACT TO REGULATE COMMERCE, AS AMENDED JUNE 18, 1910, WITH RESPECT TO CLASS AND COMMODITY RATES FROM EASTERN CITIES, OHIO RIVER CROSSINGS, AND NEW ORLEANS, LA., TO SOUTH ATLANTIC AND GULF PORTS, CERTAIN POINTS ON NAVIGABLE STREAMS, AND CERTAIN INTERIOR BASING POINTS IN SOUTHEASTERN AND MISSISSIPPI VALLEY TERRITORY; WITH RESPECT ALSO TO CLASS AND COMMODITY RATES FROM ST. LOUIS, MO., AND CHICAGO, ILL., TO GULF PORTS, MISSISSIPPI RIVER POINTS, AND TO MERIDIAN AND JACKSON, MISS.

Submitted March 24, 1913. Decided April 13, 1914.

1. Carriers authorized to continue all-rail rates via Potomac Yards, Va., and water-and-rail rates via Norfolk, Va., from New York to Charleston, S. C., Savannah, Ga., Brunswick, Ga., and Jacksonville, Fla., lower than to intermediate points.
2. Carriers authorized to continue all-rail rates via Potomac Yards and water-and-rail rates via Norfolk or south Atlantic ports from New York to New Orleans, La., Mobile, Ala., and Pensacola, Fla., lower than to intermediate points.
3. Carriers authorized to continue rates from New Orleans to Charleston, Savannah, Brunswick, Jacksonville, and Tampa, Fla., lower than to intermediate points. Rates to intermediate points on routes New Orleans to Savannah, Brunswick, and Jacksonville found unduly discriminatory.
4. Carriers authorized to continue rates from Cincinnati, Ohio, and Louisville, Ky., to Charleston, Savannah, Brunswick, and Jacksonville, lower than to intermediate points. Rates from Louisville to stations on the Seaboard Air Line Railway between Cordele, Ga., and Savannah found unduly discriminatory. Rates from Cincinnati to points on the Southern Railway between Macon, Ga., and Jacksonville found unduly discriminatory. Rates from Louisville to stations on the Seaboard Air Line Railway between River Junction, Fla., and Jacksonville found discriminatory as compared one with another; their alignment prescribed.

5. Carriers authorized to continue rates from Cincinnati, Louisville, Cairo, Ill., St. Louis, Mo., Chicago, Ill., to Gulf ports, lower than to intermediate points. Rates from St. Louis to stations on Mobile & Ohio Railroad between Meridian, Miss., and Mobile, Ala., found unduly discriminatory.
6. Carriers authorized to continue rates from Cincinnati, Louisville, Cairo, St. Louis, and Chicago to Memphis, Tenn., Greenville, Miss., Vicksburg, Miss., and Natchez, Miss., lower than to intermediate points. Rates from Cairo, St. Louis, Louisville, and Chicago to certain stations on the Yazoo & Mississippi Valley Railroad found unduly discriminatory.
7. Carriers authorized to continue all-rail and water-and-rail rates from New York to Augusta, Ga., Memphis, Macon, Milledgeville, Ga., Hawkinsville, Ga., Dublin, Ga., Columbus, Ga., Montgomery, Ala., Selma, Ala., Demopolis, Ala., and Tuscaloosa, Ala., lower than to intermediate points. Present rates to Macon and Milledgeville, Hawkinsville, Dublin, and Columbus found unduly preferential. Authority to continue lower rates from New York to Albany, Ga., than to intermediate points denied. Rates from New York to stations on the Central of Georgia Railway between Savannah and Augusta found unduly discriminatory. Rates from New York to stations on the Central of Georgia Railway east of Macon found unduly discriminatory. Rates from New York to stations on the Seaboard Air Line Railway between Cordele and Montgomery found unduly discriminatory. Rates from New York to stations on the Southern Railway between Demopolis and Selma found unduly discriminatory.
8. Carriers authorized to continue rates from New Orleans to Augusta lower than to intermediate points. Present rates, New Orleans to Macon, Columbus, Montgomery, Selma, and Albany, found unduly preferential. Authority to continue lower rates from New Orleans to Montgomery, Selma, Columbus, Macon, and Albany than to intermediate points denied.
9. Carriers authorized to continue rates from Cincinnati and Louisville to Augusta, Macon, Columbus, Montgomery, and Selma lower than to intermediate points. Authority to continue lower rates from Cincinnati and Louisville to Albany than to intermediate points denied. Practice of meeting competition of eastern carriers at Macon and not meeting this competition at intermediate points held to be unduly preferential to Macon, and unduly discriminatory against intermediate points. Rates from Louisville to stations on the Georgia Railroad between Atlanta and Augusta held to be unduly discriminatory. Rates from Cincinnati to stations on the Southern Railway between Atlanta and Macon found unduly discriminatory. Rates from Louisville to stations on the Central of Georgia Railway between Columbus and Macon found unduly discriminatory. Rates from Cincinnati to stations on the Southern Railway between McDonough, Ga., and Columbus found unduly discriminatory. Rates from Louisville to stations on the Central of Georgia Railway, Birmingham, Ala., to Columbus found unduly discriminatory. Rates from Cincinnati to stations on the Georgia Southwestern & Gulf Railroad between Cordele and Albany found unduly discriminatory. Rates from Cincinnati to stations on the Seaboard Air Line Railway between Montgomery and Albany found unduly discriminatory. Rates from Cincinnati to stations on the Atlanta & West Point Railroad found unduly discriminatory. Rates from Cincinnati to stations on the Southern Railway between Birmingham and Selma found unduly discriminatory. Rates from Cincinnati to points on the Cincinnati, New Orleans & Texas Pacific Railway, north of Chattanooga, found unduly discriminatory. Rates from Louisville to stations on the Nashville, Chattanooga & St. Louis Railway found unduly discriminatory.

10. Carriers authorized to continue water-and-rail rates from New York to Birmingham, Ala., Rome, Ga., Meridian and Jackson, Miss., lower than to intermediate points. Authority to continue rates from New York to Atlanta, Ga., Athens, Ga., and Cordele, Ga., lower than to intermediate points denied. Rates from New York to stations on the Central of Georgia Railway between Macon and Atlanta found unduly discriminatory. Rates from New York to stations on the Central of Georgia Railway between Savannah and Athens found unduly discriminatory. Rates from New York to stations on the Seaboard Air Line Railway between Savannah and Cordele found unduly discriminatory. Rates from New York to stations on the Southern Railway intermediate to Rome found unduly discriminatory. Rates from New York to points on the Alabama Great Southern Railroad between Birmingham and Meridian found unduly discriminatory. Rates from New York to stations on the Alabama & Vicksburg Railway between Jackson and Meridian found unduly discriminatory. Authority to continue water-and-rail rates from New York via Mobile and New Orleans to Meridian and Jackson, lower than to intermediate points denied.
11. Authority to continue rates from New Orleans to Atlanta, Birmingham, Athens, Rome, and Cordele, lower than to intermediate points via direct lines denied. Rates from New Orleans to stations on the Atlanta & West Point Railroad found unduly discriminatory. Rates from New Orleans to stations on the Seaboard Air Line Railway between Montgomery and Cordele found unduly discriminatory. Rates from New Orleans to stations on the Southern Railway between Birmingham and Rome found unduly discriminatory.
12. Authority to continue rates from Cincinnati and Louisville to Atlanta, Birmingham, Athens, Cordele and Rome lower than to intermediate points denied. Authority to continue rates from Cairo, St. Louis, Chicago, Louisville and Cincinnati to Meridian and Jackson lower than to intermediate points denied. Rates from Cincinnati to stations on the Southern Railway, north of Atlanta, found unduly discriminatory. Rates from Louisville to points on the Seaboard Air Line Railway between Montgomery and Cordele found unduly discriminatory. Rates from Cincinnati to stations on the Georgia, Southern & Florida, north of Cordele, found unduly discriminatory. Rates from Cincinnati to points on the Southern Railway, north of Rome, found unduly discriminatory. Rates from St. Louis to stations on the Mobile & Ohio Railroad, north of Meridian, found unduly discriminatory.

J. J. Hickey for the Interstate Commerce Commission.

R. Walton Moore, M. P. Callaway, and C. D. Drayton for Alabama & Vicksburg Railway Company, Alabama Great Southern Railroad Company, and other carriers in southeastern territory.

R. V. Fletcher for Illinois Central Railroad Company and Yazoo & Mississippi Valley Railroad Company.

Nelson W. Proctor, Albert S. Brandeis, and W. A. Colston for Louisville & Nashville Railroad Company.

C. C. P. Rausch for Missouri Pacific Railway Company and St. Louis, Iron Mountain & Southern Railway Company.

F. H. Wood for St. Louis & San Francisco Railroad Company.

W. P. Levis for Clyde Steamship Company.

Stiles Hopkins for receivers of Atlanta, Birmingham & Atlantic Railroad Company.

Claudian B. Northrop for Southern Railway Company.

H. F. Bohr for receivers of Chattanooga Southern Railway Company.

John P. Ross for Chamber of Commerce of Macon, Ga.

Chas. S. Henderson for Alabama Railroad Commission.

C. C. Henderson for Municipality of Greenville, Ala.

J. R. Tally, for Commercial Club of Hattiesburg, Miss.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

This is an investigation undertaken by the Commission with reference to the applications of carriers operating in the territory south of the Ohio and east of the Mississippi rivers, who, through their applications, ask authority to continue their present system of freight rates, which are, in many instances, in contravention of the provisions of the fourth section of the act to regulate commerce, as amended June 18, 1910.

Hearings were held at Atlanta, Ga., Birmingham, Ala., Chattanooga, Tenn., New Orleans, La., Chicago, Ill., and Washington, D. C. The railroad commissions of the southern states and the chambers of commerce of Atlanta, Ga., Birmingham, Ala., Chattanooga, Tenn., New Orleans, La., Macon, Ga., Cincinnati, Ohio, Savannah, Ga., and many other cities were notified of these hearings. Representatives of some of the commercial interests of Greenville, Ala., Hattiesburg, Miss., Macon, Ga., Knoxville, Tenn., Chattanooga, Tenn., and a representative of the Alabama railroad commission appeared at some of the hearings but offered little testimony in support of or in opposition to any of the applications.

These applications were very voluminous, and usually but one application, with respect to freight rates, was filed by each carrier. Such applications set forth with great particularity the reasons which were relied upon as justifying the methods of rate making and the systems of rates in force. The many different situations and rates were not described in the applications in detail, and these matters were developed in the course of the testimony furnished at these hearings. The position and conformation of the territory involved have brought about competitive transportation conditions therein to some extent unlike those existing in any other large section of the country. It is bounded on all four sides by navigable water and on the north also by strong lines of railroad of high traffic density maintaining rates materially lower than the southern lines can usually afford to accept. The territory is also pierced by numerous streams which afford means of transportation between various points that have had

the effect of depressing the rates between such points to a level below what they might have been were it not for the influence of these streams. The railways serving these southern points, in seeking to meet the competition of the water carriers, have thought it necessary, in many instances, to depart from the rule of the fourth section and concerning such departures have sought at the hands of this Commission relief from the strict application of that section.

In other instances, at points where water competition does not exist, relief is sought upon the ground that the influence of rival markets and contending railroad and commercial interests have so reduced the rates to such points as to bring them below the level of fairly reasonable and remunerative rates for the service rendered.

This report deals with class and commodity rates via defined routes between certain specified points, and the situations described are representative of many others in this territory, differing therefrom only in details and degree but not in principle. Throughout the report the rates given are in cents per 100 pounds unless otherwise stated.

In many situations we have found the rates to the more distant points justified by the competition there existing and the rates to intermediate points bearing reasonable comparisons with other rates made for like distances in the same territory under fairly similar conditions. In the absence of complaint with reference to the rates to such intermediate points, we shall permit for the present the continuance of the lower rates to the more distant points and the present higher rates to the intermediate points. This, however, must not be construed as a finding that these rates to the intermediate points are just and reasonable. In other situations we have found the rates to more distant points justified by competition there existing, and the rates to intermediate points not bearing reasonable comparisons with other rates for like distances in the same general territory. In such cases we should permit the continuance of the lower rates to more distant points and higher rates to intermediate points, provided the rates to intermediate points do not exceed the scale of rates hereinafter named. This scale of rates is derived from an average of many rates made to noncompetitive points in the same general territory. The Commission does not express any opinion with reference to the reasonableness of such rates as may be established to intermediate points in accordance with this report. Both the rates established and the rates continued to intermediate points in the situations herein described are subject to complaint, investigation, and correction if in violation of any provision of the act.

The carriers, petitioners herein, have sought authority through their applications as above numbered to continue class and commodity rates from eastern cities, from the Ohio River crossings and from

New Orleans, La., to south Atlantic and Gulf ports, to points on navigable rivers and to certain interior basing points in south-eastern and Mississippi Valley territory, which are lower than the rates concurrently in effect on like traffic from the same points of origin to intermediate stations. Petitioners also seek authority to continue class and commodity rates from Chicago, Ill., and from St. Louis, Mo., to Gulf ports, to Mississippi River points, and to Jackson and Meridian, Miss., which are lower than the rates concurrently in effect on like traffic from the same points of origin to intermediate stations.

New York City, N. Y., has been selected as a representative eastern city. Cincinnati, Ohio, and Louisville, Ky., have been selected as representative Ohio River crossings. Augusta, Ga., on the Savannah River; Macon and Hawkinsville, Ga., on the Ocmulgee River; Milledgeville and Dublin, Ga., on the Oconee River; Columbus, Ga., Eufaula, Ala., River Junction, Fla., on the Chattahoochee River; Albany, Ga., on the Flint River; Montgomery and Selma, Ala., on the Alabama River; Tuscaloosa, Ala., on the Warrior River; Demopolis, Ala., on the Tombigbee River; Chattanooga, Tenn., on the Tennessee River; and Memphis, Tenn., on the Mississippi River, have been selected as representative destination points located on navigable rivers. Atlanta, Athens, Cordele, and Rome, Ga., Birmingham, Ala., Meridian and Jackson, Miss., have been selected as representative interior basing points of destination. Greenville, Vicksburg, and Natchez, Miss., have been selected as representative Mississippi River points. New Orleans, La., Mobile, Ala., Pensacola and Tampa, Fla., have been selected as representative Gulf ports.

Much testimony has been taken with reference to rates to points other than the ones above named, but this report will be confined to the testimony which has been directed to the justification for the present rates from and to the points above named, as compared with rates concurrently applicable on like traffic from the same points of origin to intermediate stations. From any point of origin above named to any of the destinations there are so many routes over which traffic may move and does move that it is impracticable to undertake to discuss the rates via all of these routes. In most cases but one or two routes will be taken, and an examination will be made of the rates to the long-distance points and to the higher-rated intermediate points on the route selected. This report will be divided into 12 subdivisions, designated, respectively, subdivisions A, B, C, D, etc. The rates discussed in the several subdivisions will be as follows:

Subdivision A.—Rates from eastern cities to south Atlantic ports.

Subdivision B.—Rates from eastern cities to ports on the Gulf of Mexico.

Subdivision C.—Rates from New Orleans, La., to south Atlantic ports.

Subdivision D.—Rates from the Ohio River crossings to south Atlantic ports.

Subdivision E.—Rates from the Ohio River crossings, from St. Louis, Mo., and Chicago, Ill., to Gulf ports.

Subdivision F.—Rates from the Ohio River crossings, St. Louis, Mo., and Chicago, Ill., to Greenville, Vicksburg, and Natchez, Miss.

Subdivision G.—Rates from eastern cities to points on navigable rivers.

Subdivision H.—Rates from New Orleans, La., to points on navigable rivers.

Subdivision I.—Rates from the Ohio River crossings to points on navigable rivers.

Subdivision J.—Rates from eastern cities to interior basing points.

Subdivision K.—Rates from New Orleans, La., to interior basing points.

Subdivision L.—Rates from the Ohio River crossings, St. Louis, Mo., and Chicago, Ill., to interior basing points.

An investigation was carried on and testimony was developed in connection with this case, for the purpose of ascertaining the effect upon the revenues of the carriers in southeastern territory of an absolutely rigid enforcement of the long-and-short-haul clause of the fourth section accomplished by reductions in rates to intermediate points and without any increase in rates to long-distance points now taking lower rates. Thirty-three railway systems, operating upward of 29,000 miles of railway, and three steamship companies joined in a check concerning all freight traffic that moved from, to, or between points in this territory during certain representative periods.

Among the principal railway systems that joined in the check were Atlantic Coast Line Railroad Company; Central of Georgia Railway; Louisville & Nashville Railroad; Cincinnati, New Orleans & Texas Pacific Railway; Mobile & Ohio Railroad and Southern Railway in Mississippi; Nashville, Chattanooga & St. Louis Railway; New Orleans & Northeastern Railroad; Alabama Great Southern Railroad; Seaboard Air Line Railway; and Southern Railway. The three steamship companies that joined in the check were Baltimore Steam Packet Company; Ocean Steamship Company of Savannah; and Old Dominion Steamship Company. The periods selected were the first seven days of December, 1910, and the first seven days of March, June, and September, respectively, 1911. The purpose of the check was to determine—

First. The actual charges on the traffic that moved during these periods at the rates effective June 1, 1912.

Second. The charges that would have accrued on such traffic had the lowest rate applicable on such shipments to any more distant point been applied.

Third. The difference between the charges which actually accrued and those which would have accrued under the lower rates as maxima.

The differences so found on actual shipments moving during the 28 days taken were summarized and the result multiplied by 13 to obtain the approximate reduction in revenue for one year on all these lines if such reductions were made at the intermediate points. The reduction in revenue for one year, as ascertained by this check amounted to \$12,869,727.81. The gross freight revenue of all the lines that participated in the check, for the fiscal year ended June 30, 1911, was \$175,936,358.

The foregoing does not include estimated losses on a large number of small lines resulting from the application of the long-and-short-haul rule on the intraline traffic; that is to say, traffic which was not interchanged with the reporting lines, but which moved wholly between points on these small nonreporting lines. These smaller lines had an aggregate freight revenue during the same year of \$15,205,226. The total freight revenue of these reporting and small lines for the fiscal year ended June 30, 1911, was \$191,141,585. The computed losses were, as before stated, \$12,869,727.81, which amounts to 6.73 per cent of the total freight earnings.

Certain other lines of considerable consequence did not join in the check. These will be called the nonreporting lines, and were the Durham & Southern Railway, Georgia & Florida Railway, Illinois Central Railroad south of the Ohio River, Yazoo & Mississippi Valley Railroad, Merchants & Miners Transportation Company, Mississippi Central Railroad, New Orleans Great Northern Railroad, and Norfolk & Western Railway:

The gross freight revenues of these nonreporting lines for the year considered, exclusive of the revenue from coal traffic on the Norfolk & Western Railway, was \$46,906,161. Based upon the same approximate ratio of loss as shown by the reporting lines—namely, 6.73 per cent—the losses of these nonreporting lines due to a rigid application of the long-and-short-haul clause, were no increases made to the lower-rated points, would have been \$3,156,784.63.

The total estimated losses accruing to all lines in southeastern territory, brought about by a rigid application of the long-and-short haul clause in the manner above defined, would have been \$16,026,512 for the year considered. There are very nearly 39,900 miles of railway in this territory operated by approximately 140 different companies. For the fiscal year ending June 30, 1911, the

records of 78 of these companies show a surplus varying from \$300 to \$8,500,000. Eight of the systems show a surplus of more than \$1,000,000; 16 show a surplus of between \$100,000 and \$1,000,000; 25 show a surplus of between \$10,000 and \$100,000; and 29 show a surplus of less than \$10,000. The total surplus shown is \$39,573,012 left to these various companies at the end of a year after paying operating expenses and fixed charges. Forty-five show deficits varying from \$500 to \$1,000,000 in amount and aggregating \$2,878,381.

The net surplus of all the lines in southeastern territory for the year considered was \$36,694,631. If from this sum the losses as above ascertained are subtracted, there remains the sum of \$20,668,109 available for the payment of dividends. The total mileage of roads in this territory showing a deficit that year was 3,430 miles.

While the check as made showed without doubt the approximate loss to all of these lines that would result from the application of the long-and-short-haul clause in the manner assumed, the check did not show and could not show the losses accruing to each particular system. If it be assumed, however, that the losses as above computed would bring about a like reduction on all lines, it is clear that the surplus on the following-named 20 lines, aggregating 3,345 miles of railroad, would be wiped out. The surplus shown for the year 1911 would have been turned into a deficit on the Georgia Railroad; Louisville, Henderson & St. Louis Railway; Mobile & Ohio Railroad and Southern Railway in Mississippi; New Orleans, Mobile & Chicago Railroad; Aberdeen & Asheboro Railroad; Atlantic & Western Railroad; Atlanta & St. Andrews Bay Railway; Brinson Railway; Durham & South Carolina Railroad; Florida East Coast Railway; Georgia Southwestern & Gulf Railroad; Gulf Line Railway; Georgia & Florida Railway; New Orleans Great Northern Railroad; Pickens Railroad; Raleigh & Charleston Railroad; Sumter & Choctaw Railway; Sylvania & Girard Railroad; Tampa & Jacksonville Railway; and Tallassee & Montgomery Railroad.

In addition to the railroads above named whose surplus would have been entirely wiped out by a rigid application of the long-and-short-haul clause as above described, three other lines, with an aggregate mileage of 2,280 miles of railway, would be subjected to such radical reductions as to reduce their surplus for the year to an almost negligible quantity. Among the most notable of such lines is the Central of Georgia Railway, a system comprising approximately 1,900 miles of railway and reaching to almost all parts of the state of Georgia, with its northern terminus at Chattanooga, Tenn., western termini at Montgomery and Birmingham, Ala., and its eastern terminus at Savannah, Ga.

In round numbers, it may be stated that the mileage of all roads south of the Ohio River and east of the Mississippi River is 40,000 miles. The net surplus for the fiscal year 1911 per mile of road was \$917. Were the long-and-short-haul rule rigidly applied in this section and no increases made in rates to the lower rated points, the average net surplus per mile of road would be reduced to \$516.

While it is not possible to tell with any degree of certainty the exact effect upon the revenues of each of the lines individually, the check made leaves little room for doubt as to the ultimate average effect of such a change in rate making in this territory as above described. It is entirely clear that the revenues of a large percentage of the lines in southeastern territory would be so impaired by such a procedure as to make it impossible for them to meet their operating expenses, taxes, and fixed charges and leave to their stockholders even a moderate return.

The rate situation in the southeast presents many cases where the Commission must exercise that discretion vested in it by law to relieve the carriers from a rigid application of the long-and-short-haul rule in special cases. Many of these special cases are described in the succeeding pages of this report.

SUBDIVISION A.

RATES FROM NEW YORK, N. Y., TO SOUTH ATLANTIC PORTS.

The all-rail routes here selected from New York City to the south Atlantic ports of Charleston, S. C., Savannah and Brunswick, Ga., and Jacksonville, Fla., are in all instances via the Pennsylvania Railroad to Potomac yards. From Potomac yards three routes have been selected to each of the ports named: One via the Southern Railway; a second via the Richmond, Fredericksburg & Potomac to Richmond, Va., thence via the Atlantic Coast Line; and a third via the Richmond, Fredericksburg & Potomac to Richmond and the Seaboard Air Line over its own rails to Savannah, Brunswick, and Jacksonville. The Seaboard Air Line also furnishes a route to Charleston via its own rails from Richmond to Columbia, S. C., thence via the Southern Railway to Charleston. These three routes to each of the above-named ports furnished by the Southern Railway, the Atlantic Coast Line, and the Seaboard Air Line will be referred to hereinafter as the Southern Railway route, Atlantic Coast Line route, and Seaboard Air Line route, respectively.

WATER-AND-RAIL ROUTES.

The water-and-rail routes here selected from New York City to the south Atlantic ports are in all instances via the Old Dominion Steamship Company from New York City to Norfolk, Va. Rail routes are furnished from Norfolk to the ports above named via the Southern Railway, the Atlantic Coast Line, and the Seaboard Air Line. The testimony shows that the distance from New York City to Norfolk via the steamer lines is assumed by the carriers for the purpose of division of rates to be the equivalent of 160 miles of rail haul. For the purposes of this report this assumption will be followed and the water haul from New York City to Norfolk will be assumed as the equivalent of 160 miles of rail haul. Under such assumption, by the water-and-rail mileage named in this report from New York City to the various south Atlantic ports, will be meant the constructive mileage. Below are given the distances all rail and water and rail via the routes above described from New York City to Charleston, Savannah, Brunswick, and Jacksonville:

New York to Charleston:	Miles.
Via Southern Railway, all rail.....	846
Water and rail.....	746
Via Atlantic Coast Line, all rail.....	739
Water and rail.....	552
Via Seaboard Air Line, all rail.....	831
Water and rail.....	666
New York to Savannah:	
Via Southern Railway, all rail.....	870
Water and rail.....	770
Via Atlantic Coast Line, all rail.....	854
Water and rail.....	667
Via Seaboard Air Line, all rail.....	845
Water and rail.....	680
New York to Brunswick:	
Via Southern Railway, all rail.....	966
Water and rail.....	866
Via Atlantic Coast Line, all rail.....	1,008
Water and rail.....	821
Via Seaboard Air Line, all rail.....	932
Water and rail.....	767
New York to Jacksonville:	
Via Southern Railway, all rail.....	1,042
Water and rail.....	942
Via Atlantic Coast Line, all rail.....	1,026
Water and rail.....	839
Via Seaboard Air Line, all rail.....	982
Water and rail.....	817

The rates on the numbered classes, all rail, water and rail, and all water, from New York City to Charleston, Savannah, Brunswick, and Jacksonville, are here shown:

New York, N. Y., to South Atlantic ports.	1	2	3	4	5	6
To Charleston via—						
All rail.....	84	70	59	42	35	30.5
Water and rail.....	72	60	50	35	29	25
All water.....	57	47	37	29	24	19
To Savannah via—						
All rail.....	84	70	58	43	41	32
Water and rail.....	72	60	50	35	29	25
All water.....	57	47	37	29	24	19
To Brunswick via—						
All rail.....	87	73	59	50	41	32
Water and rail.....	75	63	53	37	31	27
All water.....	57	47	37	29	24	17
To Jacksonville via—						
All rail.....	106	87.5	71.5	51.5	41	35.5
Water and rail.....	75	63	53	37	31	27
All water.....	67	57	47	33	26	20

Discriminations via the Southern Railway all-rail route from New York to Charleston begin at Pelham, N. C., 9 miles from Danville, Va., and 482 miles, all rail, from New York. Discriminations via the Southern Railway, water-and-rail route, begin at Greensboro, N. C., and group, 255 miles south of Norfolk. The class rates to Greensboro are as follows:

All rail.....	96	83	70	55	47	37
Water and rail...	84	73	61	47	41	32

showing discriminations against this point as compared with the rates to Charleston of 9, 10, 8, 10, 10, and 5 cents on classes 1 to 6, respectively. The all-rail rates from New York to nearly all points in the Carolinas and Georgia exceed the water-and-rail rates through Norfolk by the following differentials:

12	10	9	8	6	5
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on the first six classes. The rates from New York to points on the Southern Railway increase with distance up to the group of stations beginning with Sharp, S. C., and ending with Fairwold, S. C. All stations, however, from Winnsboro to Fairwold, S. C., a distance of approximately 25 miles, take almost exactly the same rates. Ridgeway is nearly in the center of the group so rated and may be fairly looked upon as the high-rate point on the Southern Railway on the route to Charleston. The rates to Ridgeway on the first six classes are as follows:

All rail.....	119	104	92	74	62	49½
Water and rail...	107	94	83	66	56	44½

Ridgeway is 26 miles north of Columbia, S. C. It is 691 miles, all rail, and 591 constructive miles, water and rail, from New York. A depression appears in the rates on the Southern Railway at Columbia,
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S. C., due to the competition of steamers operating on the Congaree and Santee rivers. The rates to Columbia are:

All rail.....	108	91	79	66	53	42
Water and rail....	96	81	70	58	47	37

Stations Hopkins, S. C., to Branchville, S. C., take the highest rates of any points between Columbia and Charleston. The rates to these points are:

All rail.....	110	97	83	68	56	44
Water and rail....	98	87	74	60	50	39

South of Branchville the rates decrease with distance as Charleston is approached. On the route of the Southern Railway between Columbia and Savannah the highest rated intermediate stations are Yemassee to Seigling which take the following rates:

All rail.....	120	111	92	75	60	51½
Water and rail....	108	101	83	67	54	46½

Depressions appear in the rates to points on this line at stations Barnwell and Allendale, S. C. The depressed rates at Barnwell are due to competition at this point with the Atlantic Coast Line Railway, and the lower rates made over that line through the near-by South Carolina ports. The depression at Allendale is due to an intersection at this point with the Charleston & Western Carolina Railway and the lower rates made over that line via Port Royal, S. C. South of Savannah, on the route of the Southern Railway, the rates increase with distance and reach a maximum at Jesup, Ga. The rates at Jesup are:

All rail.....	117	101	85	67	54	40
Water and rail....	105	91	76	59	48	35

After passing Jesup the rates steadily decline as Brunswick is approached, due to lower combinations which may be made on Brunswick. On the route from Savannah to Brunswick and Jacksonville, the Southern Railway operates over the rails of the Atlantic Coast Line. The highest rated point intermediate to Jacksonville is Blackshear, Ga., which takes the following rates:

All rail.....	122	108	91	76	60	49
Water and rail...	110	98	82	68	54	44

Blackshear is 85 miles north of Jacksonville and 957 miles, all rail, and 857 constructive miles, water and rail, from New York via the route of the Southern Railway. It is 941 miles, all rail, and 754 constructive miles, water and rail, from New York via the Atlantic Coast Line.

On the route of the Atlantic Coast Line, discriminations in the all-rail rates begin at Gary, N. C., 80 miles south of Richmond. Discriminations in the water-and-rail rates begin at Whaley, Va., 31 miles south of Norfolk. With the exception of Tarboro, N. C., the

rates via the Atlantic Coast Line increase with distance up to Coward, S. C. Tarboro, N. C., is on the Tar River and the depression in rates at this point is due to competition of steamers on this river. The rates to all stations from Hope Mills, N. C., to Saxon, S. C., a distance of approximately 160 miles, are almost exactly the same. Florence, S. C., is nearly in the center of the group so rated and may fairly be accounted the high-rate point for this line on the route to Charleston. The rates to Florence are:

All rail.....	110	97	83	68	56	44
Water and rail....	98	87	74	60	50	39

The rates to Florence have been considered by the Commission in connection with the application of the Atlantic Coast Line Railroad Company No. 703, and that company has been given authority in Fourth Section Order No. 18, approved by the Commission on May 4, 1911, to continue its present rates from New York to Charleston and to continue higher rates to the intermediate station, Florence, S. C. On the route of the Atlantic Coast Line from Charleston to Savannah the highest rated intermediate station is Green Pond, S. C. The rates to Green Pond are:

All rail.....	127	106	90	71	58	48½
Water and rail....	107	90	81	67	53	45½

It may be here noted that the usual differentials by which the all-rail rates from New York exceed the water-and-rail rates are not observed as to points on the Atlantic Coast Line between Charleston and Savannah. Green Pond is 438 miles from Norfolk, 785 miles, all rail, and 598 constructive miles, water and rail, from New York. This is the high-rate point on the Atlantic Coast Line on the route both to Savannah and to Brunswick. The rates steadily decline after passing Green Pond as Savannah is approached. South of Savannah the rates reach a maximum on the route to Brunswick at Hoboken, Ga. The rates to Hoboken are:

All rail.....	117	101	86	67	54	45
Water and rail....	105	91	77	59	48	40

On the route to Jacksonville the highest rated point is Blackshear, Ga., the rates and distances to which have been given in connection with the description of the Southern Railway.

On the route of the Seaboard Air Line from New York to Charleston, Savannah, Brunswick, or Jacksonville, discriminations in the all-rail rates against intermediate points begin at Hagood and Bracey, 420 miles from New York. The discriminations in the water-and-rail rates begin at Purvis, Va., 26 miles south of Norfolk. The rates increase with distance to Osborne, N. C., the first station south of Hamlet. The rates to Osborne are:

All rail.....	110	97	83	68	56	44
Water and rail....	98	87	74	60	50	39

The rates named to Osborne, N. C., are blanketed to all stations from Osborne, N. C., to Blaney, S. C., a distance of approximately 80 miles. It has been stated that the Seaboard Air Line does not reach Charleston by its own rails. On the route of the Seaboard Air Line between Columbia and Savannah the highest rated intermediate point occurs at Swansea, S. C., 22 miles south of Columbia, 399 miles south of Norfolk, and 724 miles, all rail, and 559 constructive miles, water and rail, from New York. The rates to Swansea are:

All rail.....	137	118	102	84	68	56
Water and rail....	125	108	93	76	62	51

Depressions appear in the rates at Denmark, S. C., and Fairfax, S. C., due to competition met at the first point of the Southern Railway and at the second point of the Charleston & Western Carolina Railway. South of Savannah on the route to Jacksonville the rates reach a maximum at Woodbine, Ga. The rates to Woodbine are:

All rail.....	131	113	94	73	61	51½
Water and rail....	119	103	86	65	55	46½

Woodbine, Ga., is 573 miles from Norfolk; 934 miles, all rail, and 769 constructive miles, water and rail, from New York.

Below are given representative examples of commodity rates applied by the regular steamer lines from New York City to the various south Atlantic ports, together with the current water-and-rail and all-rail rates applicable on the same commodities:

	Rate.		Rate.
CANNED GOODS.		COFFEE, GREEN, IN DOUBLE BAGS, C. L. OR L. C. L.	
Water rates to—		Water rate to—	
Charleston and Brunswick, c. l. or l. c. l.....	15	Charleston.....	20
Jacksonville, c. l.....	15	Brunswick and Jacksonville.....	22
Jacksonville, l. c. l.....	20	Water and rail rate to—	
Water-and-rail rate to—		Charleston and Savannah.....	22
Charleston and Savannah, c. l.....	20	Brunswick, and Jacksonville.....	21
Charleston and Savannah, l. c. l.....	20	All-rail rate to—	
Brunswick and Jacksonville, c. l.....	21	Charleston.....	25
Brunswick and Jacksonville, l. c. l....	23	Savannah, Brunswick, and Jackson- ville.....	41
All-rail rate to—		FERTILIZER, C. L.	
Charleston, c. l.....	21	Water rate to Charleston, Savannah, Brunswick, and Jacksonville.....	1 200
Charleston, l. c. l.....	20	GREEN APPLES, BEETS, CABBAGE, ONIONS, ETC., C. L. OR L. C. L.	
Savannah, c. l.....	41	Water rate to Charleston, Savannah, Brunswick, and Jacksonville.....	15
Savannah, l. c. l.....	53	Water-and-rail rate to—	
Brunswick, c. l.....	41	Charleston and Savannah.....	20
Brunswick, l. c. l.....	50	Brunswick and Jacksonville.....	27
Jacksonville, c. l.....	41	All-rail rate to—	
Jacksonville, l. c. l.....	71½	Charleston.....	20½
CEMENT, C. L.		Savannah and Brunswick.....	22
Water rate to—		Jacksonville.....	25½
Charleston, Savannah, and Bruns- wick.....	7½	FLOUR IN BAGS.	
Jacksonville.....	8	Water rate to Charleston, Savannah, Brunswick, and Jacksonville, any quantity.....	10
Water and rail to—			
Charleston and Savannah.....	25		
Brunswick and Jacksonville.....	27		
All-rail to—			
Charleston.....	20½		
Savannah.....	25½		
Brunswick.....	22		
Jacksonville.....	22½		

1 Per ton; all other rates in cents per 100 pounds.

	Rate.		Rate.
IRON AND STEEL ARTICLES, C. L. AND L. C. L.		MOLASSES AND SIRUP.	
Water rate to Charleston, Savannah, Brunswick, and Jacksonville.....	15	Water rate, c. l., to— Charleston, Savannah, and Brunswick.....	10
Water-and-rail rate to— Charleston and Savannah.....	20	Jacksonville.....	18
Brunswick and Jacksonville.....	22	Water rate, l. c. l., to— Charleston, Savannah, and Brunswick.....	15
All-rail rate to— Charleston.....	25	Jacksonville.....	18
Savannah.....	26	Water-and-rail rate to— Charleston and Savannah.....	20
Brunswick.....	32	Brunswick and Jacksonville.....	31
Jacksonville.....	31½	All-rail rate to— Charleston.....	35
RAILS AND FASTENINGS, STRAIGHT OR MIXED, C. L., PER TON OF 2,240 POUNDS.		Savannah, Brunswick, and Jacksonville.....	41
Water rate to— Charleston, Savannah, and Brunswick.....	1 200	SUGAR.	
Jacksonville.....	1 220	Water rate to— Charleston, Savannah, and Brunswick.....	10½
Water-and-rail rate to— Charleston and Savannah.....	25	Jacksonville.....	12½
Brunswick and Jacksonville.....	27	Water-and-rail rate to— Charleston and Savannah.....	20
All-rail rate to— Charleston.....	30½	Brunswick and Jacksonville.....	31
Brunswick and Savannah.....	32	All-rail rate to— Charleston.....	35
Jacksonville.....	35½	Savannah, Brunswick, and Jacksonville.....	41
BACON AND SALT MEATS, ANY QUANTITY.			
Water rate to Charleston, Savannah, Brunswick, and Jacksonville.....	12		

¹Per ton; all other rates in cents per 100 pounds.

The respective rates shown above are cited to indicate the relation of the water rates to the south Atlantic ports to the rates made by the all-rail lines and the water-and-rail lines on the same commodities. In a number of the instances cited no commodity rates are published rail and water from New York to the south Atlantic ports, and the rates named to these ports are the class rates applying upon these articles. It is impracticable to show the commodity rates to the intermediate points for the reason that to many of the intermediate points few commodity rates are published, and the only rate applicable is either the class rate or rate made by combination on some near-by low-rated point.

THE DEFENSE.

The defense of the petitioners for continuing lower rates, all rail and water and rail, from New York City to the south Atlantic ports than the rates contemporaneously applicable on like traffic to intermediate stations rests upon the following allegations:

1. The rates from New York City and the entire north Atlantic coast to the south Atlantic ports carried by the rail lines and the rail-and-water lines are necessitated by the competition of water carriers, regular and irregular in character, over whose rates these petitioners exercise no control. The petitioners secure but a limited portion of the traffic moving from the north Atlantic coast to the south Atlantic ports, and any increase in the current rates would result in a loss of traffic and a consequent loss of revenue to the rail lines.

2. The lower rates necessitated, as above described, are subnormal and are less than reasonable and fairly remunerative rates for the service given.

3. Although the rates accepted by the rail lines and the water-and-rail lines are less than reasonable and fairly remunerative they still pay something more than the additional cost of the traffic. Acceptance by the carriers of this traffic does not result in loss to the petitioners but adds something to their net revenues and does not add to but subtracts from the burden carried by the higher-rated intermediate stations.

4. The rates to the intermediate stations as measured by the rates made to the highest-rated stations are not unreasonable as measured by the usual and ordinary standards by which the Commission may test the reasonableness of rates.

WATER TRANSPORTATION FROM NEW YORK TO SOUTH ATLANTIC PORTS.

The Clyde line has 20 vessels in service with a total freight capacity of 3,508,000 cubic feet. The service consists of four round trips per week between New York and Charleston and between New York and Jacksonville; two round trips per week between New York and Wilmington and Georgetown, S. C.; two round trips between Boston and Charleston and Jacksonville; three round trips per week between Jacksonville and Palatka, Fla., and to the points on the St. Johns River; three round trips per week between Philadelphia and Norfolk.

The Ocean Steamship Company has four ships in New York-Savannah service with a combined freight capacity of 1,308,706 cubic feet. This company has three ships in the service from Boston to Savannah with a combined freight capacity of 721,300 cubic feet. These ships make three round trips per week between New York and Savannah and two round trips per week between Boston and Savannah.

The Merchants & Miners Transportation Company furnishes a service three times a week between Baltimore and Jacksonville; three times a week between Baltimore and Savannah; twice a week between Philadelphia and Savannah; and five sailings per week between Savannah and Jacksonville.

The Southern Steamship Company operates a line of boats from Philadelphia to Charleston with a capacity per week of 1,000 tons. The same line operates from Philadelphia to Jacksonville.

The Philadelphia & Gulf Steamship Company has two sailings per month between Philadelphia, Charleston and New Orleans.

The Baltimore & Carolina Steamship Company operates weekly service between Baltimore and Charleston and Georgetown, with a weekly capacity of 1,000 tons.

The Charleston Steamship Company operates twice a week between Charleston and Georgetown.

In addition to the freight carried by the regular steamship companies, large and important quantities of low-grade commodities move into and out of the south Atlantic ports by tramp steamers and steamers belonging to lumber companies moving loaded out of the south Atlantic ports and returning empty except for such traffic as can be obtained. Considerable tonnage is handled by sailing vessels. Cement, coal, fertilizer materials, etc., move to the south Atlantic ports in large quantities by these irregular steamships on lower rates than are afforded by the regular steamship lines. The service of these tramp steamers, lumber steamers, sailing vessels, etc., constitutes a check upon the rates of the regular steamship lines, compelling low rates from them, particularly as to all classes of low-grade traffic which can be handled to advantage by the irregular steamers and sailing-vessel service.

Charleston. During the calendar year 1910, 98 per cent of all the freight which moved from New York City to Charleston went by water. During the last half of the year 1911, of all the tonnage coming into Charleston from every direction, excluding the tonnage by irregular steamers and schooners and excluding also commodities not handled at all by water, 25.7 per cent moved via the steamer lines. Of the packing-house products, grain, and grain products received at Charleston during the same period, 43.2 per cent came by water.

Savannah. During the year 1911 Savannah handled over 2,500,000 bales of cotton and, next to Galveston, Tex., is the largest cotton market in the world. During the same year, 404 irregular vessels, consisting of schooners, barks, and steamships, not including any vessels of the Ocean Steamship Company or of the Merchants & Miners Transportation Company, entered Savannah. Such of these vessels as moved to and from eastern ports handled fertilizer material, salt, cement, plaster, coal, iron and steel articles, brick, oil, gravel, and hay from north Atlantic ports to Savannah and lumber and crossties from Savannah to the north Atlantic ports. The approximate amount of traffic carried by these irregular vessels, exclusive of foreign traffic, from the north Atlantic ports to Savannah was 130,172 tons, and during the same period 50,000,000 board feet of lumber and crossties were shipped from Savannah by these vessels. These outside vessels brought into Savannah 10,938 tons of cement at a rate of approximately 97 cents a ton, as compared with the rate of the regular steamship companies of \$1.50. The approximate rates charged by these irregular vessels from north Atlantic ports to Savannah are:

	Per ton.		Per ton.
Fertilizer.....	\$1. 50	Coal.....	\$1. 10
Salt.....	1. 25	Brick.....	1. 09
Iron and steel articles.....	1. 70	Hay.....	. 90
Plaster.....	. 97		

Brunswick and Jacksonville. During the calendar year 1911, besides the regular sailings of the Clyde line, Brunswick had entrances of 143 steamships and 122 sailing vessels engaged solely in coastwise trade. Jacksonville is the principal city of Florida, with a population in 1910 of 57,699. It is served by the following steamship companies:

Clyde line.—From New York four sailings per week; from Boston two sailings per week.

Southern Steamship Company.—From Philadelphia, Charleston, Key West, and Tampa one sailing per week.

Merchants & Miners Transportation Company.—From Baltimore to Savannah and Jacksonville three sailings per week; from Savannah to Jacksonville five sailings per week.

Interoceanic Steamship Company.—Between Jacksonville and Palatka three times a week.

Jacksonville & Mayport line.—Between Jacksonville and Fulton, Fla., six times a week.

Independent line.—Between Jacksonville and Green Cove, Fla., six times a week.

Beach & Miller line.—Between Jacksonville and Crescent, Fla., on the St. Johns River, three times a week.

Arrivals and clearances in the coastwise trade for 1911 were 3,492 vessels. The lumber tonnage alone amounted to 223,786,999 board feet.

The steamships above noted plying upon the Atlantic Ocean between north Atlantic and south Atlantic ports and carrying freight at rates far below those of the rail lines have the effect of depressing the rates not only between ports themselves but between stations in eastern trunk line territory and the south Atlantic coast. The following are representative examples of class rates made via New York, rail and ocean, from some of these interior stations to the south Atlantic ports as compared with the all-rail rates between the same points:

From—	Rail and ocean.						All rail.					
	1	2	3	4	5	6	1	2	3	4	5	6
Pittsburgh to Jacksonville.....	76	63	51	40	30	25	95	80	75	70	58	46
Rochester to Charleston.....	70	60	50	36	28	23	86	72	59	44	36	31½
Rochester to Savannah.....	70	60	50	40	30	25	86	72	58	44	42	33
Rochester to Jacksonville.....	75	63	51	40	30	25	108	89½	71½	52½	42	36½
Syracuse to Charleston.....	70	60	50	36	28	23	86	72	59	44	36	31½
Syracuse to Savannah.....	70	60	50	40	30	25	86	72	58	44	42	33
Syracuse to Jacksonville.....	75	63	51	40	30	25	108	89½	71½	52½	42	36½
Utica to Charleston.....	70	60	50	36	28	23	86	72	59	44	36	31½
Utica to Savannah.....	70	60	50	40	30	25	86	72	58	44	42	33
Utica to Jacksonville.....	75	63	51	40	30	25	108	89½	71½	52½	42	36½
Wheeling to Charleston.....	70	60	50	40	30	25	95	80	75	70	58	46
Wheeling to Savannah.....	70	60	50	40	30	25	95	80	75	70	58	46
Wheeling to Jacksonville.....	75	63	51	40	30	25	95	80	75	70	58	46

The testimony shows also many rates published from points in central freight association territory to the south Atlantic ports via rail to New York and thence by ocean to the south Atlantic ports, which are materially less than the rates offered by the rail carriers. Below are shown representative examples of class rates via New York and ocean from some of these points as compared with the rates made by the rail lines operating through the Ohio River crossings:

Savannah, Brunswick, and Jacksonville from—	1	2	3	4	5	6
Albion, Mich.:						
Via rail and ocean.....	108	93½	74½	55	43½	35½
Via all rail.....	135	114	100	80	65½	52½
Ashtabula, Ohio:						
Via rail and ocean.....	82	69	52	40	30	25
Via all rail.....	130½	111	92½	74	61	48
Chicago, Ill.:						
Via rail and ocean.....	112	97	77	57	45	37
Via all rail.....	130	110	97	82	68	54
Detroit, Mich.:						
Via rail and ocean.....	95½	82½	66	49½	58½	31½
Via all rail.....	131½	111½	93	74½	61½	48½
Grand Rapids, Mich.:						
Via rail and ocean.....	109	94½	75	55½	44	36
Via all rail.....	138	116½	102	80½	67	53

Rates are published via rail and ocean through New York to all south Atlantic ports from nearly every important point in central freight association territory which are materially lower than the all-rail rates applicable upon like traffic. Among other representative points from which such rates are published are Benton Harbor, Mich., Dayton, Ohio, Fort Wayne, Ind., Jackson, Mich., Peoria, Ill., South Bend, Ind., Springfield, Ohio, and Toledo, Ohio. These rates are forced by the water lines from New York. They publish their rates from New York and absorb the rail rates to New York against the wishes of the rail lines. While the testimony does not indicate the exact amount of freight moving from New York to the south Atlantic ports by water as compared with the amount moving by rail, it at the same time strongly indicates that the bulk of the tonnage coming

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from north Atlantic coast cities to the south Atlantic ports comes by water at rates materially lower than the rates of the all-rail lines and the water-and-rail lines through Norfolk. It is clear that the rates from New York City to the south Atlantic ports are strongly influenced by water competition on the Atlantic Ocean and that any substantial increase in the all-rail rates or the water-and-rail rates would result in loss of tonnage and a consequent loss of revenue to the petitioners herein.

2. Are the rates from New York City to the south Atlantic ports, all rail and water and rail through Norfolk, less than reasonable rates for the service given?

Below are given the all-rail and the water-and-rail rates from New York to the four ports named and representative examples of rates from New York to other important basing points in southeastern territory made over like distances:

New York, N. Y., to—	Miles.	1	2	3	4	5	6
Charleston:							
All rail.....	739	84	70	59	42	35	30½
Water and rail.....	552	72	60	50	35	29	25
Savannah:							
All rail.....	845	84	70	58	43	41	32
Water and rail.....	667	72	60	50	35	29	25
Brunswick:							
All rail.....	932	87	73	59	50	41	32
Water and rail.....	767	75	63	53	37	31	27
Jacksonville:							
All rail.....	982	106	87½	71½	51½	41	35½
Water and rail.....	817	75	63	53	37	31	27
Chattanooga:							
All rail.....	846	106	93	83	68	56	44
Water and rail.....	846	106	93	83	68	56	44
Atlanta:							
All rail.....	876	117	103	92	76	62	49
Water and rail.....	776	106	93	83	68	56	44
Montgomery:							
All rail.....	1,051	120	106	93	77	63	50
Water and rail.....	951	108	95	84	69	57	45
Birmingham:							
All rail.....	1,044	126	108	95	81	66	54
Water and rail.....	944	114	98	86	73	60	49
Athens, Ga.:							
All rail.....	851	117	103	92	77	63	50
Water and rail.....	751	106	93	83	68	56	44

The four points, Chattanooga, Atlanta, Montgomery, and Birmingham, rates to which have been chosen for the purpose of comparison, are large and important railroad and distributing centers. The rates made to these points are materially less than the rates made to intermediate stations. Exhibit 117, filed at the Washington hearing, with reference to these applications, showed 800 different rates in southeastern territory made from some of the principal cities which distribute therein, including Cincinnati, Louisville, New Orleans, Memphis, Chattanooga, Savannah, and Birmingham. The rates shown in this exhibit have been tested by comparisons with the rates shown in the tariffs on file with the Commission

and have been found to be in substantial accord therewith. They are in nearly every instance rates made to noncompetitive points, although in some instances the rates to these points may have been influenced by their contiguity to competitive points. For the purpose of instituting comparisons with rates that are the subject of consideration in this report, a table has been compiled showing the average rates on the first 13 classes as shown by this exhibit for distances from 300 to 750 miles. Examination of these rates and the routes over which they were made disclosed a higher average of rates when made over two or more lines than when made over a one-line haul. The following table shows the average rates as found from the rates given in the exhibit referred to for distances from 300 to 750 miles made over a one-line haul and when made over a haul of two or more lines:

Distance.	1	2	3	4	5	6	A	B	C	D	E	H	F
300 miles:													
One line.....	96	84	69	68	51	45	38	38	31	25	46	55	52
Two or more lines.....	106	92	79	66	56	47	40	44	30	26	52	56	56
350 miles:													
One line.....	103	89	73	69	55	47	40	41	33	26	50	58	55
Two or more lines.....	110	95	84	69	58	48	39	44	32	27	52	59	57
400 miles:													
One line.....	110	95	77	69	58	49	41	43	34	27	51	59	57
Two or more lines.....	112	98	87	72	60	49	39	44	32	27	54	60	57
450 miles:													
One line.....	115	98	80	69	59	51	41	44	34	28	52	60	60
Two or more lines.....	114	100	89	74	62	50	39	44	33	27	55	62	56
500 miles:													
One line.....	116	99	83	70	60	51	41	45	34	29	53	62	62
Two or more lines.....	120	104	92	76	64	52	40	46	34	29	56	64	60
550 miles:													
One line.....	117	100	85	72	61	52	43	46	35	30	54	65	64
Two or more lines.....	123	112	99	83	69	56	43	48	37	31	61	69	64
600 miles:													
One line.....	118	102	86	74	63	53	44	47	36	30	56	64	64
Two or more lines.....	131	114	101	85	70	58	44	49	38	32	62	71	66
650 miles:													
One line.....	123	106	89	78	66	56	45	49	37	32	59	67	66
Two or more lines.....	137	118	106	90	74	60	47	51	40	33	66	74	68
700 miles:													
One line.....	128	110	94	82	70	59	47	51	38	33	63	69	70
Two or more lines.....	142	126	113	94	80	66	50	53	43	35	65	77	71
750 miles:													
One line.....	133	114	98	86	73	62	49	54	39	34	70	73	73
Two or more lines.....	147	130	118	98	84	69	53	56	45	36	74	80	73

It is evident from an inspection of this table, that the all-rail rates made from New York to Charleston, Savannah, and Brunswick are less than the average rates shown in this table for a distance of 300 miles over a one-line haul, and the rates made to Jacksonville are less than the average rates appearing in this table for a distance of 300 miles over a two-line haul. It is evident also that the rates to the south Atlantic ports are far below the level of the rates made to Chattanooga, Athens, Birmingham, Atlanta, and Montgomery, the rates to which points are regarded as strongly competitive. The rates to the south Atlantic ports are not lower than the rates for like distances in trunk line territory. The testimony shows, however, a

marked difference between the transportation conditions on the lines engaging in this traffic south of the Ohio River and the great trunk lines operating in an easterly and westerly direction north of the Ohio River. The traffic density of the Atlantic Coast Line, the Seaboard Air Line, or the Southern Railway can not be fairly compared with the traffic density of the eastern trunk lines. The conclusion is warranted that as judged by the standard of comparison with other rates made to either competitive or noncompetitive points in southeastern territory, the rates made from New York to the south Atlantic ports are subnormal and are brought about by an active, forceful competition that prevents securing the traffic at higher rates.

3. Are the rates made from New York City to south Atlantic ports less than sufficient to pay the additional cost of movement, and does the acceptance of such freight on the part of the all-rail lines or the water-and-rail lines through Norfolk add anything to the net revenues of the carriers, or does the acceptance of such freight increase the tax upon the other traffic?

The lowest water-and-rail rate on any of the six classes made to any of the ports named is the 25-cent rate on sixth class, water and rail, to Charleston and Savannah. The lowest rate on any numbered class to Jacksonville is 27 cents, water and rail. The lowest rate made on any numbered class, all rail, to any of these ports is 30.5 cents on the sixth class to Charleston. The sixth-class rate of 25 cents made, water and rail, from New York to Charleston or Savannah, applied over the longest route here considered, that of the Southern Railway to Savannah, affords a revenue of 6.5 mills per ton-mile. The all-rail rate of 30.5 cents per 100 pounds to Charleston, applied over the longest route here considered, affords a revenue of 7.2 mills per ton-mile. The lowest commodity rate shown, water and rail, through Norfolk from New York City to Charleston and Savannah, is that on iron and steel articles of 20 cents per 100 pounds. This affords a revenue of 5.2 mills per ton-mile. The lowest all-rail commodity rate shown to Charleston is that on iron and steel articles of 25 cents per 100 pounds, which yields a revenue of 5.9 mills per ton-mile.

There is little testimony in this record that indicates the actual average cost of handling freight over these lines. From an examination of the reports of the carriers made to the Commission for the fiscal year ending June 30, 1912, it is found that the average load per car for that year of the Atlantic Coast Line, the Seaboard Air Line, and the Southern Railway was 14.07 tons, the total car-miles of the three systems 525,837,008, the total freight revenue \$79,394,400.24, and the average revenue per freight-car mile 15.1 cents. The average ratio of operating expenses to operating revenue on these three sys-

tems was 67.51 per cent. Assuming that the ratio of operating expenses to operating revenue was the same for the freight business as for the passenger business, the average operating expense per car-mile must have been 10.19 cents. The total operating expenses of the three systems were \$82,517,806.15. The total expenses which are summarized in the reports under the head of "Transportation expenses and traffic expenses" were \$44,194,695.02. These traffic and transportation expenses were 53.68 per cent of the total expenses. The average traffic and transportation expense per car-mile on these three systems would be 5.47 cents.

These traffic and transportation expenses include the cost of superintendence, outside agencies, advertising, traffic associations, industrial and immigration bureaus, stationery and printing, dispatching trains, station employees, station supplies and other station expenses, yardmasters and their clerks, yard conductors and brakemen, yard switching and signal tenders, yard supplies and other yard expenses, fuel, water, lubricants and other supplies for yard and road locomotives, road enginemen, road trainmen, train supplies and other train expenses, operation of interlockers and block and other signals, operation of telegraph and telephone service, loss and damage to freight and baggage, damage to property and stock on right of way, injuries to persons, and many other items, including practically all of the expenses that must be incurred in the actual handling of freight.

While it is not demonstrated what the actual out-of-pocket costs are, brought about by the acceptance of this long-distance low grade freight, it is, however, reasonably certain that they can not exceed the total costs as represented in these traffic and transportation expenses. This long-distance low-grade traffic of the character of cement, brick, coal, fertilizer, iron articles, lumber, etc., moves under relatively high carload minimums, varying from 30,000 to 50,000 pounds per car.

From the tariffs examined it may fairly be concluded that this freight moving at low rates moves under an average carload minimum of not far from 40,000 pounds. If the actual expense be included within the traffic and transportation expenses and amount to 5.47 cents per carload per mile, the freight carried in an average car of 20 tons of freight could be handled with an out-of-pocket cost of not exceeding 2.73 mills per ton-mile.

An examination of the tariffs and rates submitted in connection with this case discloses no rates that pay less than 3 mills per ton-mile, and the testimony of the petitioners is to the effect that any freight paying less than 3 mills per ton-mile is looked upon by them as perhaps paying less than the actual out-of-pocket costs.

It may fairly be concluded from the testimony that there is none of these rates for long-distance traffic which pays less than the additional cost of handling and their acceptance by the railways results in some net revenue and does not result in an increased burden upon traffic to and from intermediate points.

4. Are the rates to intermediate points reasonable and fair rates for the service performed as judged by the usual standards by which such rates should be tested?

The highest-rated points on the Southern Railway on the routes selected are Ridgeway, S. C., on the route to Charleston; Yenome, S. C., on the route to Savannah; and Blackshear, Ga., on the route to Jacksonville.

The highest-rated points on the Atlantic Coast Line are Green Pond, S. C., Hoboken, Ga., and Blackshear, Ga.

The highest-rated points on the Seaboard Air Line are Swansea, S. C., and Woodbine, Ga. Below are given the distances and rates, all rail and water and rail, to each of these maximum-rate points, together with the rates and distances to other noncompetitive points in southeastern territory.

New York, N. Y., to—	Miles.	1	2	3	4	5	6
Ridgeway, S. C.:							
All rail.....	691	119	104	92	74	62	49½
Water and rail.....	591	107	94	83	66	56	44½
Yenome, S. C.:							
All rail.....	783	120	111	92	75	60	51½
Water and rail.....	683	108	108	83	67	54	46½
Blackshear, Ga.:							
All rail.....	957	122	108	91	76	60	49
Water and rail.....	857	110	98	83	68	54	44
Green Pond, S. C.:							
All rail.....	785	127	106	90	71	58	48½
Water and rail.....	698	107	90	81	67	58	46½
Hoboken, Ga.:							
All rail.....	966	117	101	86	67	54	45
Water and rail.....	778	105	91	77	59	48	40
Blackshear, Ga.:							
All rail.....	941	122	108	91	76	60	49
Water and rail.....	751	110	98	82	68	54	44
Swansea, S. C.:							
All rail.....	724	137	118	102	84	68	56
Water and rail.....	559	125	108	93	76	62	51
Woodbine, Ga.:							
All rail.....	933	131	113	94	73	61	51½
Water and rail.....	768	119	103	85	65	55	46½
Gaffney, S. C.:							
All rail.....	663	119	111	92	75	62	56
Chester, S. C.:							
All rail.....	675	115	102	83	73	60	48
Clifton, S. C.:							
All rail.....	676	126	108	95	81	66	54
Woodford, S. C.:							
All rail.....	720	137	118	102	84	67	55
Carlisle, S. C.:							
All rail.....	711	126	108	95	81	66	54

The rates to the maximum rate points shown above are in all instances made over a haul of two or more lines. They may, therefore, be fairly compared with the average rates for two line hauls computed

from exhibit No. 117 for like distances. It will be seen that in every instance the rates to these maximum rate points are from 5 to 15 per cent less than the average rates for like distances to noncompetitive points as shown from the above-mentioned exhibit. While it is not beyond the power of the Commission to investigate and determine the reasonableness of the rates to each intermediate point, for the present it is not deemed advisable that the great length of time which would be necessary for that purpose should be taken before dealing with the general question that is before us. We will not, therefore, delay the disposition of the general question for this purpose, but any injustice that may result from individual instances of excessive rates to particular points will, upon complaint and investigation, be dealt with and corrected as occasion may hereafter arise. The Commission will confine itself in the disposal of these cases to an examination of the rates to the maximum-rate points to ascertain whether or not such rates, as judged by the standards of comparison with other rates made for like distances under circumstances fairly similar in character, appear to be excessive or unreasonable. The rates to the maximum rate points on the lines above described do not appear to be unreasonable in amount nor out of line with rates made to contiguous points in the same territory.

In view of all the facts appearing as herein set forth these petitioners will be permitted, until it may be otherwise ordered upon future investigation in particular cases, to continue to charge rates to intermediate points from New York and eastern points in excess of the rates to the south Atlantic ports, to the extent now existent as provided in their tariffs, but may not increase the disparity beyond that now in effect and may not establish discriminations of this character in respect to points other than those now provided in their tariffs except upon application to the Commission as by law required.

SUBDIVISION B.

RATES FROM NEW YORK TO NEW ORLEANS, MOBILE, AND PENSACOLA.

Some of the routes described in this subdivision of this report are via certain south Atlantic ports. The testimony shows that the distance from New York City to Charleston, Savannah, or Brunswick by water is assumed by the carriers for the purpose of effecting divisions of rates to be the equivalent of 250 miles of rail haul. For the purposes of this report, this assumption will be followed and the constructive mileage to any given point from New York will be computed by adding 250 miles to the rail distance from the south Atlantic port to each destination.

Route, all rail: Pennsylvania Railroad to Potomac yard; Southern Railway to Atlanta; Atlanta & West Point Railroad and Western Railway of Alabama to Montgomery; Louisville & Nashville Railroad to New Orleans, Mobile, and Pensacola. Distances: To New Orleans, 1,369 miles; to Mobile, 1,230 miles; to Pensacola, 1,214 miles.

Water-and-rail route through Norfolk: Old Dominion Steamship Company New York to Norfolk; Southern Railway to Atlanta; Atlanta & West Point Railroad and Western Railway of Alabama to Montgomery; Louisville & Nashville Railroad to New Orleans, Mobile, and Pensacola. Distances: To New Orleans, 1,269 constructive miles; to Mobile, 1,130 constructive miles; to Pensacola, 1,114 constructive miles.

Water-and-rail route through Savannah: Ocean Steamship Company of Savannah to Savannah; Central of Georgia Railway to Montgomery; Louisville & Nashville Railroad to New Orleans, Mobile, and Pensacola. Distances: To New Orleans, 954 constructive miles; to Mobile, 815 constructive miles; to Pensacola, 799 constructive miles.

There are no regular water carriers operating between New York City and Pensacola at the present time. Freight is brought to Mobile by boat and shipped thence to Pensacola over the Louisville & Nashville Railroad at rates which are lower than the all-water rates to Mobile. Below are given the rates from New York on the first six classes to the three ports named:

New York, N. Y., to—	1	2	3	4	5	6
New Orleans:						
All rail.....	118	98	78	61	50	44
Water and rail.....	95	80	65	50	43	36
All water.....	70	60	50	40	35	30
Mobile:						
All rail.....	123	103	82	65	53	47
Water and rail.....	100	85	69	54	46	39
All water.....	75	65	54	44	38	33
Pensacola:						
All rail official classification.....	123	103	82	65	53	47
Water and rail via Norfolk or Savannah.....	75	65	55	45	40	35
Water and rail via Mobile.....	70	60	50	40	35	30

The all-rail rates to New Orleans are exceeded at Juneau, 5 miles south of Charlotte, N. C., and 613 miles from New York.

The water-and-rail rates to New Orleans are exceeded at High Point, N. C., 268 miles from Norfolk. The rates increase with distance up to Clifton, S. C., a point 200 miles north of Atlanta. The rates to Clifton are:

All rail.....	126	108	95	81	66	54
Water and rail....	114	98	86	73	60	49

The rates named to Clifton are blanketed to all stations between Clifton and Atlanta, Ga., with the exception of stations Gainesville and New Holland, Ga. To these stations the Atlanta rates are applied, namely:

All rail.....	117	103	92	76	62	49
Water and rail....	105	93	83	68	56	44

The route between Atlanta and Montgomery furnished by the Atlanta & West Point Railroad and the Western Railway of Alabama is known as the West Point route and will be referred to hereafter in this report by this name. On the route from Atlanta to Montgomery the rates increase with distance to McCollum, Ga. The rates to this station are:

All rail.....	141	124	111	93	76	60
Water and rail....	129	114	102	85	70	55

A slight depression occurs in the rates at Newnan, Ga., due to meeting at this point the competition of the Central of Georgia Railway. The rates to Newnan are:

All rail.....	137	121	107	89	73	59
Water and rail...	125	111	98	81	67	54

The next three stations, McBride, Moreland, and St. Charles, take rates of—

All rail.....	139	123	110	92	75	60
Water and rail...	127	113	101	84	69	55

South of St. Charles the rates decrease with distance as La Grange is approached. The rates to La Grange are the same as the rates to Atlanta, heretofore named. The next high-rate point is Gabbettville, Ga., with rates—

All rail.....	132	116	103	85	70	56
Water and rail...	120	106	94	77	64	51

Another depression occurs in the rates at West Point, Ga., with rates—

All rail.....	120	105	93	77	63	50
Water and rail....	108	95	84	69	57	45

The next high-rate point is Cusseta, Ala., with rates—

All rail.....	142	125	111	93	77	61
Water and rail...	130	115	102	85	71	56

The next depression in the rates occurs at Opelika, Ala., to which point the same rates are made as to West Point above described. South of Opelika the rates increase with distance to Franklin, Ala., the maximum-rate point on the West Point route. The rates to Franklin are:

All rail.....	155	137	121	99	82	66
Water and rail...	143	127	112	91	76	61

Franklin, Ala., is 141 miles from Atlanta, 1,017 miles all rail and 917 miles water and rail from New York. South of Franklin the rates

decrease as Montgomery is approached, being made by combinations on Montgomery. The rates to Montgomery are the same as have been given as applicable to West Point and Opelika. Below are given the first-class rates water and rail to all stations from Atlanta to Montgomery over the West Point route. The all-rail rate may be found by adding 12 cents to the water-and-rail rate here given.

	Rate.		Rate.		Rate.
Atlanta.....	\$1.05	Grantville.....	\$1.25	Loachapoka.....	\$1.30
Orange Park.....	1.21	Trimbles.....	1.23	Notasulga.....	1.33
Red Oak.....	1.23	La Grange.....	1.05	Franklin.....	1.43
Fairburn.....	1.25	Gabbettville.....	1.20	Milstead.....	1.40
Palmetto.....	1.27	West Point.....	1.08	Shorters.....	1.36
McCollum.....	1.29	Cusseta.....	1.30	Mount Meigs.....	1.39
Newnan.....	1.25	Opelika.....	1.08	Montgomery.....	1.08
McBride.....	1.27	Osborne.....	1.28		

The very irregular relation of these rates is seen from an examination of the first-class rates above shown. The three marked depressions in these rates are to be found at La Grange, West Point, and Opelika. The depressions in the rates at La Grange and at West Point are due to meeting at these points the competition of the Atlanta, Birmingham & Atlantic Railroad. The last-named railroad does not itself reach West Point, but has a connection from Standing Rock with West Point over the Chattahoochee Valley Railway, and with this connection forms the short line from Brunswick to West Point. At Opelika the West Point route intersects the Central of Georgia Railway, which furnishes a route from Savannah to Opelika, 319 miles in length.

On the route of the Louisville & Nashville Railroad from Montgomery to the Gulf ports named, water-and-rail rates increase with distance up to Fort Deposit, Ala. The water-and-rail rates to this point are:

135 117 101 86 75 62

The all-rail rates increase with distance up to Evergreen, Ala. To this point the following all-rail rates apply:

171 149 132 111 94 79

Evergreen is the high-rate point on the all-rail route to the Gulf ports. It is 81 miles south of Montgomery, 1,132 miles from New York. Up to Fort Deposit, Ala., the all-rail rates exceed the water-and-rail rates through Norfolk or through south Atlantic ports by the same differentials as have been before noted as applicable in the Carolinas and in Georgia. From Fort Deposit and south the all-rail rates bear no fixed relation to the water-and-rail rates, but exceed the water-and-rail rates in some instances by as much as 48 cents on first class. South of Fort Deposit the water-and-rail rates decrease with distance

as Mobile and Pensacola are approached. Higher rates are charged to stations between Mobile and New Orleans and to stations between Mobile and Pensacola than the rates applicable to these points.

On the route of the Central of Georgia Railway from Savannah to Montgomery the rates increase with distance up to Toombsboro, Ga., 155 miles from Savannah. The route passes through Macon, a low-rate point, through Byron, a high-rate point, through Fort Valley, Ga., another depressed-rate point, through stations between Fort Valley and Columbus, to which blanket rates apply, and through Columbus, a low-rate point. West of Columbus the rates increase with distance to Nuckols, Ala. The rates to Nuckols are:

130 111 98 83 69 56

These rates are applied as blanket rates to all stations west of Nuckols up to the first station immediately east of Montgomery, where the combination on Montgomery makes lower rates. South of Montgomery on the route of the Louisville & Nashville Railroad the same rates are applied via the route through Savannah as have been heretofore described in connection with the route through Norfolk.

THE DEFENSE.

The defense of the carriers for making lower rates water and rail through Norfolk and the south Atlantic ports or all rail via Potomac yards to Mobile, New Orleans, and Pensacola than are concurrently applicable on like traffic to intermediate points rests upon the grounds:

1. That the rates made from New York to Mobile and New Orleans are necessitated by the water competition existing between these points; that the potential water competition existing between New York and Pensacola, the contiguity of Mobile to Pensacola, and the water competition, existing and potential, between Mobile and Pensacola necessitate at that point rates from New York substantially the same as the rates to Mobile.
2. That these rates necessitated as above described are subnormal.
3. That although subnormal they yield some revenue in excess of the actual cost of handling, and their acceptance by the carriers adds something to their net revenues.
4. That the rates to intermediate stations are not unreasonable.

THE SERVICE BY WATER.

The Morgan line operates two boats per week each way between New York and New Orleans and the Philadelphia & Gulf Steamship Company one boat per week between Philadelphia and New Orleans. The Mallory Steamship Company operates one boat per week each way between New York and Mobile. The testimony indicates that

the Morgan line handles the bulk of the tonnage from eastern seaboard territory to New Orleans with the exception of such articles as can not be handled by boat and a few articles that require exceptional dispatch. For the first 11 months of the calendar year 1911 the movement into New Orleans via the Morgan line from Atlantic Seaboard territory aggregated 246,000 tons and during the same period its northbound tonnage was 201,000 tons. The tonnage of the Mallory line into Mobile for the months of January and February, 1912, from eastern seaboard territory was approximately 2,088 tons, while the deliveries of the Southern Railway and the Mobile & Ohio Railroad during the same period were 327 tons from the same territory and the deliveries of the Louisville & Nashville Railroad were 250 tons. The following are representative examples of commodity rates made by these steamship companies from New York to Mobile and New Orleans, together with the water-and-rail rates applicable on the same commodities.

	All water.		Water and rail.	
	Mobile.	New Orleans.	Mobile.	New Orleans.
Bags and bagging, c. l.....	18	.....	35	35
Canned goods, c. l.....	31	.....	41	41
Iron and steel articles, c. l.....	27	27	35	33
Iron and steel articles, l. c. l.....	32	32	42	40
Molasses and sirup.....	25	.....	33	33
Oil, lubricating, c. l.....	25	25	33	33
Roofing paper.....	27	27	35	34

The rates from the eastern seaboard via New Orleans to points in Mississippi and Louisiana south of the line from Vicksburg through Jackson and Meridian are lower than the rail-and-water rates made through Norfolk or the south Atlantic ports by the following differentials:

18 14 11 8 6 4

on classes 1 to 6 respectively. These differentials stated above are the lowest differentials existing between water-and-rail rates via New Orleans and the water-and-rail rates through the south Atlantic ports. The differentials increase with proximity to the Gulf until they become at New Orleans the difference between the all-water rates and the water-and-rail rates through the south Atlantic ports. To all territory in Alabama and Mississippi east of Meridian and south of the line of the Southern Railway and Western Railway of Alabama running from Meridian to Montgomery and west of the Louisville & Nashville Railroad from Montgomery to Pensacola rates are made through Mobile which are the following differentials less than the rates made through the south Atlantic ports:

12 10 9 7 4 3

These differentials increase with proximity to the Gulf until they become at Mobile the difference between the water-and-rail rates made to that point and the all-water rates of the Mallory line. These differentials in favor of the routes through Mobile and through New Orleans have the effect of throwing to the water lines a very large percentage of the traffic from Atlantic seaboard territory to the southern portion of Alabama and Mississippi. The Morgan line publishes through rates to New Orleans (rail or water to New York and Morgan line thence) from all points in New England states, New York, New Jersey, Pennsylvania, Delaware, Maryland, some points in West Virginia, and in Virginia as far south as Danville. The rates are governed by the official classification and do not include marine insurance but the insurance cost is only 15 cents for each \$100 valuation which adds but little to the rates. From Boston the all-rail and rail-and-water rates are the same as from New York while the Morgan line rates are the following differentials higher than the Morgan line rates from New York.

2 1 1 1 0 1

From Buffalo and Pittsburgh from which there are no rail-and-water rates via the Southern lines, the published all-rail rates compared with the rates via New York and ocean are:

All rail.....	116	95	79	61	49	43
New York and ocean....	98	81	68	53	43	39

From Norfolk, Richmond, and contiguous points the published rates of the Morgan line and the all-rail rates to New Orleans are as follows:

Morgan line....	80	68	56	43	38	32
All rail.....	95	80	65	50	43	36

Below are shown some representative eastern and interior eastern points with the class rates applicable therefrom to New Orleans, all rail, rail and water, and by the Morgan line.

New Orleans from—	1	2	3	4	5	6
Philadelphia, Pa.:						
All rail.....	112	92	76	59	48	42
Rail and water.....	95	80	65	50	43	36
Morgan line.....	70	60	50	40	35	30
Portland, Me.:						
All rail.....	118	98	78	61	50	44
Rail and water.....	95	80	65	50	43	36
Morgan line.....	78	68	58	47	41	35
Baltimore, Md.:						
All rail.....	110	90	75	58	47	41
Rail and water.....	95	80	65	50	43	36
Morgan line.....	80	70	58	48	38	32
Albany, N. Y.:						
All rail.....	110	90	75	58	47	41
Rail and water.....	95	80	65	50	43	36
Morgan line.....	85	73	61	48	39	32
Scranton, Pa.:						
All rail.....	112	92	76	59	48	42
Rail and water.....	95	80	65	50	43	36
Morgan line.....	92	76	64	50	41	35

Mobile. The Mallory Steamship Company operates its steamships regularly between New York and Mobile. This line publishes an all-water tariff, not filed with the Commission, in connection with 39 steamship companies operating from Atlantic seaboard ports and river landings reaching as far south as Washington, D. C., Alexandria, Norfolk, and Richmond, Va., and reaching points in the interior of New England and New York. The Mallory line also protects and applies the same basis of rates to Mobile from the interior territory throughout New England, New York, New Jersey, Pennsylvania, Virginia, and West Virginia as does the Morgan line to New Orleans. These rates are substantially lower than are afforded by the all-rail lines or the water-and-rail lines through Norfolk. The Mallory line carries a very large number of commodity rates lower than the class rates to Mobile, not only from New York City but from the entire north Atlantic coast, including many interior eastern points.

Pensacola. There is no regular water service between New York and Pensacola and there is little testimony in the record concerning freight moving by water from the north Atlantic coast to Pensacola. The testimony indicates that only three schooners entered the port of Pensacola during the year 1911 bringing freight from the north Atlantic ports. The total tonnage brought to Pensacola by water during that year was 1,948 tons from the Atlantic seaboard territory. The lower scale of rates made to Pensacola from Atlantic seaboard territory has undoubtedly been brought about by the desire of the Louisville & Nashville Railroad Company to make and keep the rates thereto upon a substantial parity with the rates made to New Orleans and to Mobile. There are no published all-water rates to Pensacola at this time. Freight brought from the Atlantic seaboard moves by water to Mobile and thence via the Louisville & Nashville Railroad to Pensacola. While water competition at Pensacola may be regarded as sufficiently potential to justify lower rates to that point than are afforded to intermediate points, it can not be asserted at this time that the scale applied is necessitated by the actual competition existing. Certainly no justification exists for making lower water-and-rail rates through Mobile to Pensacola than the all-water rates to Mobile. Neither does any justification exist for publishing lower rail-and-water rates to Pensacola through the south Atlantic ports than are published to Mobile. We are of the opinion that the all-rail and water-and-rail rates made to Mobile and to New Orleans are necessitated by the water competition existing between eastern ports and these points, respectively. We are of the opinion that sufficient justification has not been shown for the maintenance of the present scale of water-and-rail rates to Pensacola via Mobile or via the south Atlantic ports. Such rates certainly should not be less

than the rates concurrently applicable to Mobile. On account of the contiguity of Mobile to Pensacola and the actual and potential water competition existing between these points, it would probably be impracticable to maintain at Pensacola rates which are substantially higher than the rates to Mobile and to New Orleans.

2. Are the rates now effective from New York to New Orleans, Mobile, and Pensacola subnormal?

Below are given comparisons of the all-rail class rates to New Orleans, Mobile, and Pensacola with class rates made between other points over similar distances.

All rail from—	Miles.	1	2	3	4	5
New York to—						
New Orleans.....	1,369	118	98	78	61	50
Mobile.....	1,230	123	103	82	65	53
Pensacola.....	1,214	123	103	82	65	53
Omaha.....	1,417	143	117	91	65	55
Chicago to Denver.....	1,083	180	145	110	85	67
St. Louis to Denver.....	913	162	127	101	80	63
New York to Des Moines, Iowa.....	1,310	125	106	82½	60	48½
New York to Minneapolis.....	1,369	115	99	76	53	46

The rates above given to western points are governed by the western classification or by the official classification. The comparisons of such rates with rates governed by the southern classification are not conclusive but indicate that the class rates from New York City to the three Gulf ports named are substantially less than the rates for like distances in certain other parts of the country. Below is shown a list of commodity rates from New York to Mobile and New Orleans and rates on similar commodities made over like distances through other territory in cents per 100 pounds:

Commodity.	Rate.
Iron and steel articles:	
New York to New Orleans, all-rail.....	\$0.46
Water-and-rail.....	.33
New York to Minneapolis.....	.44
Chicago to Texas common points ¹.....	.67
Canned goods:	
New York to Mobile, water-and-rail.....	.41
New York to Minneapolis.....	.46
Chicago to Texas common points.....	.58
Molasses and sirup:	
New York to Mobile, water-and-rail.....	.33
New York to Minneapolis.....	.46
Chicago to Texas common points.....	.56
Cotton piece goods:	
New York to New Orleans, water-and-rail.....	.63
New York to Minneapolis.....	.84
Chicago to Texas common points.....	1.52
Roofing paper:	
New York to New Orleans, all-rail.....	.41
Water-and-rail.....	.34
New York to Mobile, all-rail.....	.44
Water-and-rail.....	.35
New York to Minneapolis.....	.30
Chicago to Texas common points.....	.65
Paint:	
New York to New Orleans, water-and-rail.....	.33
New York to Minneapolis.....	.46
Chicago to Texas common points.....	.62

¹ Distance from Chicago to Texas common points varies with the point of destination. The distance from Chicago to Fort Worth, Tex., is 1,024 miles; Chicago to San Antonio, Tex., 1,208 miles.

It is of course evident that these rates made to the Gulf ports are below the ordinary scale of rates made through territory from Chicago westward. With the exception of the rates made through trunk line territory, the rates from New York to the Gulf ports are also below the measure of rates for like distances in other parts of the country, and the conclusion seems warranted that the rates are subnormal and less than might be reasonable for the service given.

3. Do these rates pay more than the additional cost of handling? The lowest all-rail rate named to New Orleans, as shown by the testimony, is that on roofing paper of 41 cents per 100 pounds. This yields a revenue of 6 mills per ton-mile. The lowest commodity rates named, rail and water to New Orleans, are 33 cents per 100 pounds on iron and steel articles and on paint; 5.4 mills per ton-mile. The lowest water-and-rail rate on any of the numbered classes is 36 cents per 100 pounds on class 5 to New Orleans. This affords a revenue of 5.6 mills per ton-mile. It seems reasonable to conclude from the testimony offered in this case that these rates afford a revenue above the additional cost of handling the traffic, and the acceptance of such rates by the carriers must add something to their net revenues.

4. Are the rates to intermediate points as measured by the rates to the highest rated intermediate points unreasonable in and of themselves?

The highest rated intermediate points on the routes considered are Evergreen, Ala., on the all-rail route; Franklin, Ala., on the water-and-rail route through Norfolk; and Fort Deposit, Ala., on the water-and-rail route through Savannah. Below are shown the rates and distances to Evergreen, Franklin, and Fort Deposit with rates and distances to other points in similar territory with which they might be compared:

New York, N. Y., to—	Miles.	1	2	3	4	5	6
Evergreen, Ala.....	1, 136	171	149	132	111	94	79
Franklin, Ala.....	1 917	143	127	112	97	76	61
Fort Deposit, Ala.....	1 659	135	117	101	86	75	62
Hull, Ala.....	1, 110	171	147	127	104	88	72
Barnett, Miss.....	1, 225	168	141	115	90	76	63
Duncanville, Ala.....	1, 145	183	157	136	104	91	74
Waynesboro, Miss.....	1, 257	167	140	114	91	76	66
Berwick, Ala.....	1 598	147	130	116	98	80	63
Cottonton, Ala.....	1 505	146	131	117	95	76	62
Obatchie, Ala.....	620	143	123	114	96	79	60

¹ Constructive miles.

Average rates for 650 miles as computed from Exhibit No. 117 over a two-line haul are:

137 118 106 90 74 60

From the comparisons above given, it would appear that the rates to the maximum-rate points above named are not materially out of 30 I. C. C.

line with rates made for like distances through the same territory. We are of the opinion that these petitioners should be authorized to continue to establish and maintain such rates from New York City to New Orleans, Mobile, and Pensacola as will enable them to effectively meet the competition of water carriers operating between these points, and to maintain higher rates to intermediate points provided the present rates to intermediate local points, rates to which have been uninfluenced by combination on competitive points, are not increased.

SUBDIVISION C.

RATES FROM NEW ORLEANS TO SOUTH ATLANTIC PORTS AND TAMPA.

1. Rates from New Orleans to Charleston and to intermediate stations.

Route: Louisville & Nashville Railroad, New Orleans to Montgomery; West Point route to Atlanta; Georgia Railroad to Augusta; and Southern Railway to Charleston; 793 miles.

Rates: The rates made to Charleston are not exceeded at intermediate stations south of Brewton, Ala., on the Louisville & Nashville Railroad.

Below are shown the rates to all stations on the route here described from Brewton, Ala., to Charleston, S. C., inclusive:

New Orleans to—	1	2	3	4	5	6
STATIONS ON THE LOUISVILLE & NASHVILLE RAILROAD.						
Brewton, Ala.....	78	67	57	52	47	43
Kirkland and Castleberry, Ala.....	80	69	58	53	48	44
Evergreen, Ala.....	82	71	59	54	49	45
Owassa to Tyson, Ala., inclusive.....	84	72	60	55	50	46
Montgomery, Ala.....	89	77	55	42	35	35
STATIONS ON THE WEST POINT ROUTE.						
Tysonville, Ala.....	117	105	92	75	63	50
Milstead, Ala.....	121	108	94	76	64	51
Franklin, Ala.....	124	111	96	77	65	52
Chehaw, Ala.....	127	111	98	78	66	53
Notasulga, Ala.....	124	109	98	79	65	52
Loachapoka, Ala.....	121	106	95	77	64	50
Auburn, Ala.....	119	104	93	74	62	48
Opelika, Ala.....	99	86	77	61	50	39
Cusseta, Ala.....	121	106	95	77	64	50
West Point, Ga.....	127	112	101	81	63	48
Gabbettville, Ga.....	131	115	103	84	66	53
La Grange, Ga.....	130	115	103	84	66	52
Louise, Ga.....	129	115	102	84	66	52
Hogansville, Ga.....	127	113	101	83	67	51
Trimble, Ga.....	126	112	100	82	67	51
Grantville, Ga.....	124	110	99	81	66	50
Moreland, Ga.....	123	109	98	80	65	50
McBride, Ga.....	120	106	95	78	63	49
Newman, Ga.....	121	107	96	76	64	49
Madras, Ga.....	120	106	95	78	63	49
McCollum, Ga.....	118	104	93	76	62	48
Palmetto, Ga.....	116	103	92	75	61	48
Fairburn, Ga.....	114	101	90	73	60	47

New Orleans to—	1	2	3	4	5	6
STATIONS ON THE WEST POINT ROUTE—continued.						
Stonewall, Ga.....	112	99	89	71	59	46
College Park, Ga.....	110	97	87	69	57	45
Atlanta, Ga.....	94	83	74	59	48	37
STATIONS ON THE GEORGIA RAILROAD.						
Decatur, Ga.....	106	94	84	67	55	43
Clarkston and Scottdale, Ga.....	110	97	87	69	57	45
Stone Mountain, Ga.....	112	99	89	71	59	46
Redan, Ga.....	114	101	90	73	60	47
Lithonia, Ga.....	116	103	92	75	61	48
Conyers, Ga.....	118	104	93	76	62	48
Covington, Ga.....	121	107	96	79	64	49
Alcovy, Ga.....	123	109	98	80	65	50
Social Circle, Ga.....	124	110	99	81	66	50
Rutledge, Ga.....	127	113	101	83	67	51
Madison, Ga.....	130	115	103	85	68	52
Buckhead, Ga.....	132	116	104	85	69	53
Carey, Ga.....	131	115	103	84	69	53
Greensboro, Ga.....	128	112	101	82	67	52
Union Point, Ga.....	126	110	99	81	66	51
Crawfordsville, Ga.....	129	113	100	79	64	52
Barnett, Ga.....	130	115	97	75	62	53
Norwood, Ga.....	129	113	100	79	64	52
Macon, Ga.....	128	112	101	80	65	52
Thomson, Ga.....	125	109	98	80	65	51
Dearing, Ga.....	123	107	96	78	64	50
Harlem, Ga.....	121	106	95	77	63	50
Bersalia, Ga.....	119	104	93	75	62	49
Grovetown, Ga.....	117	102	92	73	61	48
Belair, Ga.....	115	100	90	71	59	47
Augusta, Ga.....	99	86	77	61	50	39
STATIONS ON THE SOUTHERN RAILWAY.						
Bath, S. C.....	104	88	77	61	50	41
Langley, S. C.....	104	88	77	61	50	41
Warrenville, S. C.....	104	88	77	61	50	41
Aiken, S. C.....	104	90	80	68	51	45
Montmorenci, S. C.....	112	103	83	70	53	45
Windsor, S. C.....	113	103	83	70	53	45
Elko, S. C.....	113	103	83	70	53	45
Blackville to St. George, S. C., inclusive.....	113	99	83	70	53	45
Pregnalls, S. C.....	113	98	83	70	53	45
Ridgeville to Ladson, S. C., inclusive.....	113	99	83	70	53	45
Ten Mile, S. C.....	91	76	71	66	54	42
Charleston, S. C.....	91	76	71	66	54	42

It will be noted that the disparities between the rates made to Charleston and the rates to the intermediate stations on the Louisville & Nashville Railroad are small.

On the West Point route the rates reach a maximum at Chehaw, Ala., and a second maximum at Gabbettville, Ga., with a low-rate point, Opelika, Ala., intervening.

On the route of the Georgia Railroad the rates increase with distance up to Buckhead, Ga., 568 miles from New Orleans. This is the high-rate point of the entire line.

2. Rates from New Orleans to Savannah and to intermediate stations.

Route: Louisville & Nashville Railroad to Montgomery; Seaboard Air Line, Montgomery to Savannah; 656 miles.

80 I. C. C.

Rates: The rates to points south of Montgomery at which the rates exceed the rates to Savannah have been shown in connection with the rates to Charleston.

The rates from New Orleans to stations on the Seaboard Air Line east of Montgomery are shown below:

New Orleans to—	1	2	3	4	5	6
STATIONS ON THE SEABOARD AIR LINE.						
.....	117	103	90	75	63	49
.....	123	107	94	78	66	50
.....	127	111	98	82	70	52
.....	131	115	101	86	74	54
.....	135	117	104	81	68	54
.....	141	126	112	96	83	66
.....	142	126	112	95	83	66
.....	140	125	108	91	74	57
.....	140	124	108	91	74	57
.....	139	123	110	90	74	57
.....	137	120	108	89	73	55
.....	133	116	105	86	70	54
.....	135	119	107	87	71	55
.....	130	121	108	87	72	57
.....	119	103	92	75	61	49
....., Ga.	139	121	108	87	72	58
.....	142	123	111	87	75	59
.....	139	121	108	87	73	58
.....	134	117	105	84	70	55
.....	119	103	92	74	61	49
.....	139	121	108	87	72	58
.....	142	123	111	89	75	59
.....	144	126	112	92	76	61
.....	149	129	118	95	79	62
.....	152	132	118	98	80	63
.....	155	134	122	100	82	64
.....	136	115	103	86	70	55
.....	151	129	117	103	83	65
.....	146	125	114	104	83	65
....., Ga.	144	121	112	102	83	65
.....	142	122	112	102	82	63
.....	140	121	110	101	80	62
.....	139	120	109	100	80	62
.....	136	117	107	99	79	61
.....	133	114	105	96	78	60
....., Ga.	131	112	104	95	78	60
.....	129	110	102	94	77	59
.....	127	109	101	92	75	58
.....	125	106	99	91	74	57
.....	124	105	97	90	73	57
.....	121	102	95	87	72	55
.....	119	101	94	85	70	55
.....	114	96	90	81	65	52
.....	81	76	71	65	54	42

3. Rates from New Orleans to Brunswick and to intervening stations.

Route: Louisville & Nashville Railroad to River Junction, Fla.; Atlantic Coast Line, River Junction to Brunswick, 623 miles.

Rates: The rates from New Orleans to stations on the Louisville & Nashville Railroad do not exceed the rates to Brunswick until station Harold, Fla., is reached.

The rates from New Orleans to stations on the Louisville & Nashville Railroad east of Harold to River Junction and to stations on the Atlantic Coast Line between River Junction and Brunswick are shown below:

New Orleans to—	1	2	3	4	5	6
STATIONS ON THE LOUISVILLE & NASHVILLE RAILROAD.						
Harold, Fla.....	90	77	62	57	51	38
Holts, Fla.....	90	77	62	57	52	40
Galliver to Crestview, Fla., inclusive.....	90	77	62	57	52	42
Deerland, Fla.....	93	79	63	58	53	44
Mossy Head, Fla.....	93	79	63	58	53	46
De Funiak Springs, Fla.....	96	81	64	59	54	47
Argyle, Fla.....	96	81	64	59	54	48
Ponce de Leon, Fla.....	96	81	64	59	54	48
Westville and Caryville, Fla.....	96	81	64	59	54	50
Bonifay to Cottondale, Fla., inclusive.....	99	83	65	60	55	51
Marianna and Cypress, Fla.....	102	85	66	61	56	52
Grand Ridge, Fla.....	102	85	67	62	57	53
Sneeds and River Junction, Fla.....	93	74	56	53	50	49
STATIONS ON THE ATLANTIC COAST LINE.						
Recovery, Ga.....	91	77	72	65	55	45
Faceville, Ga.....	94	79	74	67	57	46
Fowlton, Ga.....	96	82	75	70	58	47
Climax, Ga.....	101	85	79	73	61	48
Whigham, Ga.....	103	88	81	76	62	49
Cairo, Ga.....	107	91	85	78	64	51
Pine Park, Ga.....	108	92	86	79	66	51
Thomasville, Ga.....	139	120	106	86	70	55
Boston, Ga.....	115	100	91	84	68	53
Pidcock and Dixie, Ga.....	118	102	92	85	69	54
Quitman, Ga.....	139	120	106	86	70	55
Ousley, Ga.....	122	106	96	88	70	55
Kinderlon, Ga.....	125	107	97	88	72	57
Valdosta, Ga.....	139	120	106	86	70	55
Naylor, Ga.....	133	113	103	88	72	57
Stockton, Ga.....	133	113	103	88	72	57
Dupont, Ga.....	137	115	105	88	72	57
Homerville and Cutting, Ga.....	140	118	108	88	72	57
Argyle, Ga.....	138	119	108	88	72	57
Manor, Ga.....	138	118	107	88	72	57
Glenmore, Ga.....	134	116	106	88	72	57
Euakin, Ga.....	133	114	105	88	72	57
Waycross, Ga.....	131	112	103	86	70	55
Hoboken, Ga.....	126	107	100	88	72	57
Nahunta, Ga.....	122	104	96	88	72	56
Lulaton, Ga.....	120	101	94	86	71	55
Atkinson and Waynesville, Ga.....	117	100	93	85	70	55
Brunswick, Ga.....	91	76	71	66	54	42

4. Rates from New Orleans to Jacksonville and to intermediate stations.

Route: Louisville & Nashville Railroad to River Junction, Fla.: Seaboard Air Line, River Junction to Jacksonville; 612 miles.

Rates: The rates to intermediate stations on the Louisville & Nashville Railroad that exceed the rates to Brunswick were given in connection with the description of the route to Brunswick. East of River Junction, Fla., on the route to Jacksonville, the route is over the Seaboard Air Line.

Rates: The rates to points south of Montgomery at which the rates exceed the rates to Savannah have been shown in connection with the rates to Charleston.

The rates from New Orleans to stations on the Seaboard Air Line east of Montgomery are shown below:

New Orleans to—	1	2	3	4	5	6
STATIONS ON THE SEABOARD AIR LINE.						
.....	117	103	90	75	63	49
.....	123	107	94	78	66	50
.....	127	111	98	82	70	53
.....	131	115	101	86	74	54
.....	135	117	104	81	68	54
.....	141	126	112	95	83	60
.....	143	125	112	95	83	60
.....	140	125	108	91	74	57
.....	140	124	109	91	74	57
.....	139	123	110	90	74	57
.....	137	120	108	89	73	55
.....	133	116	105	86	70	54
.....	135	119	107	87	71	55
.....	139	121	108	87	72	57
.....	119	108	92	74	61	48
d Louis, Ga.....	139	121	108	87	72	58
.....	142	123	111	90	75	59
.....	139	121	108	87	72	58
.....	134	117	105	84	71	56
.....	119	108	92	74	61	48
.....	139	121	108	87	72	58
.....	142	123	111	89	75	59
.....	144	125	112	92	76	61
.....	149	129	116	95	79	62
.....	152	132	118	98	82	65
.....	155	134	122	100	84	64
Helena, Ga.....	136	115	103	86	70	56
Alamo, Ga.....	151	129	117	103	85	66
Glenwood, Ga.....	145	125	114	104	83	65
Mt. Vernon and Alley, Ga.....	144	124	112	102	82	63
Higginson, Ga.....	142	122	112	102	82	63
Vidalia, Ga.....	140	121	110	101	80	62
Lyons, Ga.....	139	120	109	100	80	62
Ohoopee, Ga.....	136	117	107	99	79	61
Collins, Ga.....	133	114	105	95	75	59
Manassas and Belleville, Ga.....	131	112	104	95	75	59
Hagan and Claxton, Ga.....	129	110	102	94	77	58
Daley, Ga.....	127	109	101	92	75	58
Groveland, Ga.....	125	106	99	91	74	57
Reks, Ga.....	124	105	97	90	73	57
Pembroke, Ga.....	121	102	95	87	72	56
Ellabelle, Ga.....	119	101	94	85	70	55
Meltrim, Ga.....	114	96	80	81	68	53
Savannah, Ga.....	91	76	71	65	54	43

3. Rates from New Orleans to Brunswick and to intervening stations.

Route: Louisville & Nashville Railroad to River Junction, Fla.; Atlantic Coast Line, River Junction to Brunswick, 623 miles.

Rates: The rates from New Orleans to stations on the Louisville & Nashville Railroad do not exceed the rates to Brunswick until station Harold, Fla., is reached.

The rates from New Orleans to stations on the Louisville & Nashville Railroad east of Harold to River Junction and to stations on the Atlantic Coast Line between River Junction and Brunswick are shown below:

New Orleans to—	1	2	3	4	5	6
STATIONS ON THE LOUISVILLE & NASHVILLE RAILROAD.						
Harold, Fla.....	90	77	62	57	51	38
Holts, Fla.....	90	77	62	57	52	40
Galliver to Crestview, Fla., inclusive.....	90	77	62	57	52	42
Deerland, Fla.....	93	79	63	58	53	44
Mossy Head, Fla.....	93	79	63	58	53	46
De Funiak Springs, Fla.....	96	81	64	59	54	47
Argyle, Fla.....	96	81	64	59	54	48
Ponce de Leon, Fla.....	96	81	64	59	54	48
Westville and Caryville, Fla.....	96	81	64	59	54	50
Bonifay to Cottondale, Fla., inclusive.....	99	83	65	60	55	51
Marianna and Cypress, Fla.....	102	85	66	61	56	52
Grand Ridge, Fla.....	102	85	67	62	57	53
Sneads and River Junction, Fla.....	93	74	56	53	50	49
STATIONS ON THE ATLANTIC COAST LINE.						
Recovery, Ga.....	91	77	72	65	55	45
Faceville, Ga.....	94	79	74	67	57	46
Powiton, Ga.....	96	82	75	70	58	47
Climax, Ga.....	101	85	79	73	61	48
Whigham, Ga.....	103	88	81	76	62	49
Cairo, Ga.....	107	91	85	78	64	51
Pine Park, Ga.....	108	92	86	79	66	51
Thomasville, Ga.....	139	120	106	86	70	55
Boston, Ga.....	115	100	91	84	68	53
Pidcock and Dixie, Ga.....	118	102	92	85	69	54
Quitman, Ga.....	139	120	106	86	70	55
Oasley, Ga.....	122	106	96	88	70	55
Kinderlon, Ga.....	125	107	97	88	72	57
Valdosta, Ga.....	139	120	106	86	70	55
Naylor, Ga.....	133	113	103	88	72	57
Stockton, Ga.....	133	113	103	88	72	57
Dupont, Ga.....	137	115	105	88	72	57
Homerville and Cutting, Ga.....	140	118	108	88	72	57
Argyle, Ga.....	138	119	108	88	72	57
Manor, Ga.....	138	118	107	88	72	57
Glenmore, Ga.....	134	116	106	88	72	57
Ruskin, Ga.....	133	114	105	88	72	57
Waycross, Ga.....	131	112	103	86	70	55
Hoboken, Ga.....	126	107	100	88	72	57
Nahunta, Ga.....	122	104	96	88	72	56
Lulaton, Ga.....	120	101	94	86	71	55
Atkinson and Waynesville, Ga.....	117	100	93	85	70	55
Brunswick, Ga.....	91	76	71	66	54	42

4. Rates from New Orleans to Jacksonville and to intermediate stations.

Route: Louisville & Nashville Railroad to River Junction, Fla.: Seaboard Air Line, River Junction to Jacksonville; 612 miles.

Rates: The rates to intermediate stations on the Louisville & Nashville Railroad that exceed the rates to Brunswick were given in connection with the description of the route to Brunswick. East of River Junction, Fla., on the route to Jacksonville, the route is over the Seaboard Air Line.

Below are shown the rates from New Orleans to all stations on the Seaboard Air Line between River Junction and Jacksonville.

New Orleans to—	1	2	3	4	5	6
STATIONS ON THE SEABOARD AIR LINE.						
River Junction, Fla.....	93	74	55	53	50	49
Mt. Pleasant to Quincy, Fla.....	124	107	95	76	64	53
Midway, Fla.....	148	128	118	106	87	78
Tallahassee, Fla.....	124	107	95	76	64	53
Chaires, Fla.....	144	125	116	102	85	71
Lloyd, Fla.....	142	123	116	100	83	70
Drifton and Aucilla, Fla.....	140	122	114	98	82	68
Greenville and Madson, Fla.....	122	107	95	76	64	53
Lee, Fla.....	134	118	107	94	79	65
Ellaville and Falmouth, Fla.....	132	115	106	92	78	63
Live Oak, Fla.....	122	107	95	76	64	53
Houston and Welborn, Fla.....	122	110	100	85	75	60
Lake City and Watertown, Fla.....	116	102	95	85	75	58
Onstee, Fla.....	112	98	92	83	69	55
Sanderson, Fla.....	108	94	89	80	67	54
Glen St. Mary and McClenny, Fla.....	104	90	85	76	64	53
Baldwin, Fla.....	100	86	81	72	61	50
Jacksonville, Fla.....	72	60	57	53	44	36

5. Rates from New Orleans to Tampa and to intermediate stations.

Route: Louisville & Nashville Railroad to River Junction, Fla.; Seaboard Air Line, River Junction through Baldwin, Fla., to Tampa, 788 miles.

Rates: The rates to intermediate stations on the Louisville & Nashville Railroad west of River Junction have been given in connection with the rates to Brunswick, and on the Seaboard Air Line west of Baldwin, Fla., have been given in connection with the rates to Jacksonville.

Below are shown the rates from New Orleans to all stations on the Seaboard Air Line south of Baldwin, Fla.:

New Orleans to—	1	2	3	4	5	6
STATIONS ON THE SEABOARD AIR LINE.						
.....	100	85	81	72	61	50
.....	112	98	92	83	69	56
.....	116	102	95	85	73	58
.....	106	102	95	85	74	59
ville, Fla.....	120	106	98	87	74	59
, Fla.....	124	110	100	89	76	60
, inclusive.....	128	113	103	91	77	62
.....	132	115	106	92	78	63
.....	134	118	107	94	79	65
, inclusive.....	136	120	110	95	80	66
.....	138	121	112	96	81	67
.....	140	122	114	98	82	68
, Fla.....	142	123	116	100	83	70
.....	144	126	116	102	85	71
.....	146	127	117	103	86	72
.....	148	128	118	106	87	73
.....	149	129	119	107	88	74
.....	149	129	119	107	88	74
Fla.....	150	129	115	104	89	75
.....	150	129	115	104	89	75
.....	146	124	111	100	85	75
.....	122	103	91	85	72	62
.....	122	103	91	85	72	62

THE DEFENSE.

The defense of the carriers for carrying lower rates on classes and commodities from New Orleans to Charleston, Savannah, Brunswick, Jacksonville, and Tampa than the rates concurrently applicable on like traffic to intermediate stations rests upon the ground:

1. That the rates from New Orleans to the five ports named are necessitated by direct water competition on the Atlantic Ocean and the Gulf of Mexico.

2. That the rates are subnormal.

3. That the rates, although subnormal, pay more than the additional cost of handling.

4. That the rates to intermediate stations are not unreasonable.

In regard to the first assertion that the rates from New Orleans to the five ports named are necessitated by direct water competition; the testimony shows that the Philadelphia & Gulf Steamship Company furnishes a regular service twice a month between Charleston and New Orleans. The Paine Steamship Company furnishes a regular all-water service between Tampa and New Orleans. There is no regular all-water service between New Orleans and Savannah, Brunswick, or Jacksonville. Such other water service as exists is that furnished by irregular steamers and sailing vessels. The testimony shows that the rail carriers have not for many years enjoyed traffic of the character of sugar, coffee, molasses, and rice from the New Orleans territory to Charleston; it moves all water and the rail carriers have been unable to secure it as against the all-water route.

Facilities are at hand at Charleston for unloading cargoes into warehouses of the Charleston Terminal Company, which extend along the water front, and this material is distributed to the interior points as necessity may demand. The testimony shows a very large movement of coastwise vessels into and out of the ports of Savannah, Brunswick, Jacksonville, and Tampa. The number of arrivals and clearances of coastwise vessels at the ports of Jacksonville, Savannah, Brunswick, and Charleston is indicative of a heavy coastwise movement between these points and the other Atlantic and Gulf ports.

Tampa had a population in 1910 of 37,782. It is situated at the north end of Tampa Bay at the mouth of the Hillsboro River. The city is served by the following rail lines: Atlantic Coast Line Railroad, Seaboard Air Line Railway, and Tampa Northern. It is also served by the Mallory Steamship Company, Southern Steamship Company, Tampa, Hunters Point & Sarasota Steamship Company, St. Petersburg Transportation Company, and the Paine Steamship Company before mentioned. The record shows no tonnage statistics with reference to the movement of traffic between New Orleans and

Tampa. The very large movement of coastwise vessels into and out of this port, the relatively low scale of rates applying by the rail carriers, and the long-standing character of these rates, point strongly to the conclusion that the rates between New Orleans and this port have been influenced by water competition.

2. Are these rates subnormal?

Below are given the rates from New Orleans to each of the south Atlantic ports and to Tampa, with the distances over which these rates apply, and comparisons are shown of these rates with other rates made to strongly competitive points in southeastern territory over like distances:

From—	Miles.	1	2	3	4	5	6
New Orleans to—							
Charleston.....	793	91	76	71	66	54	42
Savannah.....	656	91	76	71	66	54	42
Brunswick.....	623	91	76	71	66	54	42
Jacksonville.....	612	72	60	57	53	44	35
New York to—							
Atlanta via Norfolk.....	1 776	106	93	83	68	56	44
Atlanta via Savannah.....	1 540	105	93	83	68	56	44
Athens via Norfolk.....	1 751	105	93	83	68	56	44
Athens via Savannah.....	1 530	105	93	83	68	56	44
Montgomery via Savannah.....	1 588	108	95	84	69	57	45

¹ Constructive mileage.

Average rates over a two-line haul of 650 miles, as shown by Exhibit 117:

137 118 106 90 74 60

Average rates over a two-line haul of 750 miles, as shown by Exhibit 117:

147 130 118 98 84 69

It will be seen from the above that the rates to Charleston, Savannah, Brunswick, and Jacksonville from New Orleans are below the level of rates made for like constructive distances to other competitive points in southeastern territory, and that the rates to the south Atlantic ports and to Tampa are markedly lower than the rates for like distances to noncompetitive points in this territory. As measured, therefore, by comparisons with other rates, both to competitive and noncompetitive points in this territory, the rates to the above-named ports are, in fact, subnormal.

3. It will be seen that the lowest of these class rates pays more than 1 cent per ton-mile for the distance hauled, and without doubt more than the additional cost of handling.

4. Are the rates to intermediate points unreasonable?

(a) Route to Charleston. Inasmuch as the rates to Augusta and to intermediate stations are discussed in subdivision "H" of this report, it will be unnecessary at this point to consider the rates to intermediate stations west of Augusta. East of Augusta the route chosen is over the Southern Railway and the rates are blanketed to all sta-

tions from Windsor, S. C., to Ladson, S. C., inclusive. This blanket covers a territory of about 80 miles in length, and the center of the blanket is approximately 750 miles from New Orleans. The blanket rates applying to the stations are:

113 99 83 70 53 45

It is evident that these rates are below the average rates made for like distances in southeastern territory, as shown by Exhibit No. 117. The petitioners should be authorized to continue lower rates to Charleston and their present higher rates to intermediate points.

(b) On the route to Savannah over the Louisville & Nashville Railroad and the Seaboard Air Line Railway the rates to Cordele, Ga., and to intermediate stations are discussed in subdivision "K" of this report, and it will be unnecessary, therefore, at this time to consider any of the rates to intermediate stations except those upon the line of the Seaboard Air Line Railway east of Cordele. Helena, Ga., is a junction point of the Seaboard Air Line with the Southern Railway about 50 miles east of Cordele. The scale of rates maintained at Helena is made over a distance of approximately 542 miles. These rates are somewhat in excess of the average rates in this territory for corresponding distances. It has been earnestly represented, however, by testimony that the physical and financial condition of this railway is such as to necessitate a higher scale of rates on this line than upon others in the same territory. The rates made to Helena are, to a certain extent, competitive rates, but the competition met at this point by the Seaboard Air Line Railway does not appear to be competition concerning which this petitioner is at a disadvantage. Upon consideration of all the facts and circumstances of record in this case we consider the rates made to Helena not unreasonable for the service given. There is, however, no testimony in this record showing that they are subnormal, and we are of the opinion that rates to points between Cordele and Helena should not exceed the Helena rates. The rates to stations west of Helena are made over an average distance of approximately 600 miles. The petitioners should be authorized to continue lower rates to Savannah and higher rates to intermediate points, provided the rates to points west of Helena do not exceed the present rates to Helena and the rates to points east of Helena do not exceed the rates to Helena by more than 5 per cent and in no case exceed the combination on Savannah.

(c) On the route to Brunswick over the Louisville & Nashville Railroad and the Atlantic Coast Line the rates to River Junction are depressed on account of competition met at that point via the Chattahoochee River. A most unusual situation exists on the Atlantic Coast Line east of River Junction. The rates to three of these stations, namely, Thomasville, Quitman, and Valdosta, appear

to be markedly out of line with the rates to stations contiguous thereto. The first-class rate to Pine Park is \$1.08 and to Thomasville \$1.39, while Pine Park is a local station and Thomasville is a junction point with the Atlanta, Birmingham & Atlantic Railroad and the Florida Central Railroad. The rates to Quitman exceed to a marked degree the rates to local stations on each side. There is no adequate justification in this record for departing from a uniform gradation of rates on this line that increase with distance up to some maximum-rate point or points east of which the rates will be decreased through combination on Brunswick. The rates to Boston, Ga., should not be exceeded at Thomasville; the rates to Ousley, Ga., should not be exceeded at Quitman; and the rates to Naylor should not be exceeded at Valdosta. The rates made to Naylor correspond with reasonable exactness to the average rates in this territory over a two-line haul for distances of 600 miles, as shown from Exhibit No. 117, and such rates should not be exceeded at stations between Naylor and Brunswick, but the combination on Brunswick, where less than these maximum rates, should be observed.

(d) The route to Jacksonville, Fla. The route described is that of the Louisville & Nashville to River Junction, thence over the Seaboard Air Line to Jacksonville. East of River Junction on this line the Seaboard Air Line is intersected at Quincy and Tallahassee by the Georgia, Florida & Alabama Railroad, at Capitola, near the station Drifton, by the Florida Central, at Greenville by the South Georgia, and at Madison by the Georgia & Florida Railway. Additional routes from New Orleans are afforded to the five junction points above named through the connections of these north-and-south railways with the Atlantic Coast Line at Bainbridge, Thomasville, Quitman, and Valdosta. Approximately the same rates are made to Quincy, Tallahassee, Greenville, and Madison, which are materially lower than the rates to contiguous stations. The rates made to Tallahassee are exceeded at Midway by the following differentials on the classes 1 to 6, respectively:

24	21	23	30	23	20
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The rates to Greenville and Madison are exceeded at Midway, Chaires, Lloyd, Drifton, and Aucilla. Such justification as may exist for carrying lower rates to these junction points than are carried to intermediate stations rests upon the ground of the competition met at Tallahassee, Greenville, and Madison over the Atlantic Coast Line and its connections. The rates via these competing lines do not accord with the fourth section. The Seaboard Air Line is asking relief on account of the competition met at these points via the Atlantic Coast Line and its connections, while the latter-mentioned lines are asking relief on account of the competition of the Seaboard

Air Line. There can be no adequate justification for the situation here found, and while the record is not sufficient to enable us to reach a conclusion as to the reasonableness of the rates to each and every point along this route, we are of the opinion that these rates should grade with distance until a maximum-rate point is reached. The rates to these maximum-rate points should not exceed the average rates over two-line hauls of 550 miles as shown from Exhibit No. 117. The maximum-rate point or points would be reached at some station between Madison and Lake City, and east thereof the rates should diminish with distance as Jacksonville is approached, but should in no case exceed the combination on Jacksonville.

(e) The route to Tampa. The route to Tampa described herein covers the same line as that previously described up to Baldwin, Fla. South of Baldwin the rates grade uniformly with distance to Brandon, Fla., 11 miles north of Tampa. Brandon is 777 miles from New Orleans via this route and the rates made thereto compare favorably with other rates for like distances in the same general territory.

SUBDIVISION D.

RATES FROM THE OHIO RIVER CROSSINGS TO THE SOUTH ATLANTIC PORTS.

In order to show more clearly the relation one to another of the rates from all the Ohio and Mississippi River crossings to the south Atlantic ports, the rates to Charleston, Port Royal, Savannah, Brunswick, and Jacksonville are summarized as follows:

From—	1	2	3	4	5	6	A	B	C	D	E	H	F
Cincinnati, Ohio; Louisville, Ky.; Evansville, Ind.; Paducah, Ky.; and Cairo, Ill.....	95	90	75	78	59	48	35	38	29	25	45	40	56
St. Louis, Mo.....	118	99	92	82	68	54	42	46	38	30	38	50	64
Memphis, Tenn., and Vicksburg, Miss.....	91	78	71	68	54	42	31	34	25	21	38	38	42
New Orleans, La., except to Jacksonville, Fla.....	91	78	71	68	54	42	31	34	25	21	38	38	42
New Orleans to Jacksonville.....	72	60	57	52	44	35	27	30	23	19	36	36	39

The following shows the number of separate commodity items on which special rates are published from said crossings to the south Atlantic ports:

From—	Commodity items.
Cincinnati, Ohio.....	148
Louisville, Ky.; Evansville, Ind.; Paducah, Ky.; and Cairo, Ill.....	175
St. Louis, Mo.....	172
Memphis, Tenn.....	169
Vicksburg, Miss.....	161
New Orleans, La., except to Jacksonville, Fla.....	162
New Orleans to Jacksonville.....	159

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Louisville, Ky., to—	1	2	3	4	5	6
STATIONS ON THE SOUTHERN RY.						
Bath, S. C., to Aiken, S. C., inclusive.....	108	92	81	65	54	43
Montmorenci, S. C.....	116	107	86	67	55	47
Windsor, S. C., to Elko, S. C., inclusive.....	117	107	86	67	55	47
Blackville, S. C.....	117	103	84	65	52	42
Denmark, S. C.....	117	103	84	65	53	44
Bamberg, S. C., to Summerville, S. C., inclusive.....	117	103	84	65	52	42
Ladson, S. C.....	117	102	84	65	52	42
Ten Mile, S. C.....	95	80	75	70	58	46
Charleston, S. C.....	95	80	75	70	58	46

2. Rates from Cincinnati, Ohio, to Charleston, S. C.

Route: Cincinnati, New Orleans & Texas Pacific Railway from Cincinnati to Harriman Junction; Southern Railway from Harriman Junction through Morristown, Asheville, and Columbia to Charleston; 732 miles.

Rates: The rates made to Charleston are not exceeded at intermediate stations west of Knoxville, Tenn.

Below are shown the rates from Cincinnati to all stations on the route selected from Knoxville to Charleston:

Cincinnati, Ohio, to—	1	2	3	4	5	6
STATIONS ON THE SOUTHERN RAILWAY.						
Knoxville, Tenn.....	76	65	57	47	40	30
Caswell and McMillan, Tenn.....	94	81	71	59	50	38
Mascot to Jefferson City, Tenn., inclusive.....	102	89	79	65	56	42
Talbot and Alpha, Tenn.....	106	93	81	68	55	43
Morristown, Tenn.....	99	88	77	64	54	42
Witt and White Pine, Tenn.....	99	88	77	65	55	43
Leadvale, Tenn.....	99	88	77	65	55	45
Rankin, Tenn.....	99	88	77	65	55	45
Newport, Tenn., to Asheville, N. C., inclusive.....	99	88	77	65	55	46
Buena Vista to Hendersonville, N. C., inclusive.....	116	101	86	71	58	48
Flat Rock, N. C., to Campton, S. C., inclusive.....	120	107	91	71	58	49
Spartanburg Junction to Wallaceville, S. C., inclusive.....	116	107	86	67	55	50
Littleton and Bookman, S. C.....	116	107	86	67	55	47
Montgomery and Frost, S. C.....	116	106	86	67	55	47
Columbia, S. C.....	107	92	81	65	53	44
Cayce, S. C.....	107	92	79	65	53	44
Shuler to Blackville, S. C., inclusive.....	107	103	84	65	52	42
Lee, S. C.....	117	103	84	65	52	42
Denmark, S. C.....	117	103	84	65	52	44
Sato to Byrd, S. C., inclusive.....	117	103	84	65	52	42
Pregnall, S. C.....	117	102	84	65	53	44
Dorchester to Summerville, S. C., inclusive.....	117	103	84	65	52	42
Lincolnton to Woodstock, S. C., inclusive.....	117	102	84	65	52	42
Charleston, S. C.....	95	80	75	70	58	46

3. Rates from Louisville, Ky., to Port Royal, S. C.

Route: Louisville & Nashville Railroad, to Nashville, Tenn.; Nashville, Chattanooga & St. Louis Railway, Nashville to Atlanta; Georgia Railroad, Atlanta to Augusta; Charleston & Western Carolina Railway, Augusta to Port Royal; 758 miles.

Rates: The rates to stations on this route west of Augusta have been given in connection with the rates from Louisville to Charleston.

30 I. C. C.

Below are shown the rates from Louisville to all stations on the Charleston & Western Carolina Railway, Augusta to Port Royal, inclusive:

Louisville, Ky., to—	1	2	3	4	5	6
STATIONS ON THE CHARLESTON & WESTERN CAROLINA RAILWAY.						
Augusta, Ga.....	103	90	81	65	54	43
Kathwood and Jackson, S. C.....	133	117	103	85	71	57
Ellenton, S. C.....	141	124	111	91	74	60
Robbins, S. C.....	117	107	86	67	55	47
Hattleville and Millett, S. C.....	145	125	113	95	76	62
Beldoc, S. C.....	144	123	112	95	78	63
Appleton, S. C.....	142	121	110	96	78	63
Allendale, S. C.....	142	121	104½	79½	66	55½
Fairfax, S. C.....	139	118	104½	79½	66	55½
Brunson, S. C.....	140	118	108	98	81	64
Hampton and Cummings, S. C.....	135	115	104	97	79	64
Early Branch and Yemassee, S. C.....	130	112	101	94	76	62
Sheldon, S. C.....	122	105	95	87	73	58
Beaufort and Port Royal, S. C.....	95	80	75	70	58	46

4. Rates from Cincinnati, Ohio, to Port Royal, S. C.

Route: Cincinnati, New Orleans & Texas Pacific Railway, Cincinnati to Harriman Junction; Southern Railway to Spartanburg, S. C.; Charleston & Western Carolina Railway from Spartanburg through Augusta to Port Royal; 753 miles.

Rates: The rates to points west of Spartanburg have been described in connection with the rates to Charleston.

Below are shown the rates from Cincinnati to all stations on the Charleston & Western Carolina Railway between Spartanburg and Port Royal:

Cincinnati, Ohio, to—	1	2	3	4	5	6
STATIONS ON THE CHARLESTON & WESTERN CAROLINA RAILWAY.						
Spartanburg, S. C., to Martinez, Ga., inclusive.....	116	107	86	67	55	50
Augusta, Ga.....	103	90	81	65	54	43
Beach Island and Braruns Hill, S. C.....	123	108	97	79	66	53
Kathwood to Bush, S. C., inclusive.....	133	117	103	85	71	57
Ellenton, S. C.....	141	124	111	91	74	60
Robbins, S. C.....	117	107	86	67	55	47
Hattleville and Millett, S. C.....	145	125	113	95	76	62
Averills, S. C.....	144	123	112	95	76	62
Martins and Beldoe, S. C.....	144	123	112	95	78	62
Appleton, S. C.....	142	121	110	95	78	63
Allendale, S. C.....	142	121	104½	79½	66	55½
Fairfax, S. C.....	139	118	104½	79½	66	55½
Brunson, S. C.....	140	118	108	98	81	64
Hampton to Cummings, S. C., inclusive.....	135	115	104	97	79	64
Fechtig to Yemassee, S. C., inclusive.....	130	112	101	94	76	62
Tomotley and Sheldon, S. C.....	122	105	95	87	73	58
Coosaw to Burton, S. C., inclusive.....	111	94	87	80	67	54
Port Royal, S. C.....	95	80	75	70	58	46

5. Rates from Louisville to Savannah.

Route: Louisville & Nashville Railroad to Montgomery, Ala.; Seaboard Air Line Railway, Montgomery to Savannah; 829 miles.

Rates: The rates made to Savannah are not exceeded at intermediate stations on the Louisville & Nashville Railroad north of Decatur, Ala.

Below are shown the rates from Louisville to all stations on the Louisville & Nashville Railroad between Decatur and Montgomery, and the rates to all stations on the Seaboard Air Line between Montgomery and Savannah:

Louisville, Ky., to—	1	2	3	4	5	6
STATIONS ON THE LOUISVILLE & NASHVILLE R. R.						
Holmes Gap, Ala.....	93	79	63	58	53	47
Cullman, Ala.....	96	81	64	59	54	47
Hanceville, Ala.....	96	81	64	59	54	49
Banger to Blount Springs, Ala., inclusive.....	99	83	65	60	55	48
Reids, Ala.....	99	83	65	60	54	43
Warrior and Kimberly, Ala.....	99	85	66	60	52	41
Morris, Ala.....	94	82	66	58	50	39
Birmingham, Ala.....	79	69	58	47	40	30
Pelham, Ala.....	94	82	67	58	50	39
Siluria, Ala.....	99	86	67	60	52	41
Longview, Ala.....	99	86	68	60	52	41
Calera, Ala.....	100	80	60	57	53	47
Jemison, Ala.....	106	87	68	63	58	49
Thorsby, Ala.....	106	87	68	63	58	51
Clanton, Ala.....	106	87	68	63	58	52
Coopers and Verbena, Ala.....	108	88	69	64	59	54
Mountain Creek, Ala.....	108	88	69	64	59	55
Deatsville and Speigener, Ala.....	108	88	69	64	59	52
Elmore, Ala.....	108	88	69	64	59	50
Coosada, Ala.....	108	88	69	64	57	47
Montgomery, Ala.....	98	87	78	62	50	41
STATIONS ON THE SEABOARD AIR LINE.						
Sedges, Ala.....	126	111	100	82	67	54
Chesson and Hardaway, Ala.....	132	115	104	85	70	55
Fort Davis, Ala.....	136	119	108	89	74	57
Roba and Hannon, Ala.....	140	123	112	93	78	59
Hurtsboro, Ala.....	141	121	100	88	72	59
Rutherford, Ala.....	148	131	120	100	85	63
Pittsview and Cottonton, Ala.....	151	133	122	102	87	65
Omaha, Ga.....	147	130	116	96	78	62
Union, Ga.....	144	125	115	95	78	61
Louvale, Ga.....	143	126	114	94	78	61
Lumpkin, Ga.....	141	124	112	93	77	59
Richland, Ga.....	137	120	109	90	74	58
Preston, Ga.....	139	123	111	91	75	59
Plains, Ga.....	143	125	112	91	76	61
Americus, Ga.....	123	107	96	78	65	52
Huntington and Leslie, Ga.....	143	125	112	91	76	62
Demoto, Ga.....	146	127	115	94	79	63
Cobb, Ga.....	143	125	112	91	76	62
Coney, Ga.....	138	121	109	88	74	60
Cordele, Ga.....	123	107	96	78	65	52
Seville, Ga.....	143	125	112	91	76	62
Pitts, Ga.....	146	127	115	93	79	63
Rochelle, Ga.....	148	130	116	96	80	65
Abbeville, Ga.....	153	133	120	99	83	66
Rhine, Ga.....	156	136	122	102	84	67
Milan, Ga.....	159	138	126	104	86	69
Helena, Ga.....	143	124	110	90	74	59
Alamo, Ga.....	155	133	121	107	87	70
Glenwood, Ga.....	150	129	118	108	87	69
Mount Vernon and Alley, Ga.....	148	128	116	106	86	67
Rigston, Ga.....	146	126	115	106	86	67
Vidalia, Ga.....	144	125	114	104	84	66
Lyons, Ga.....	143	124	113	104	84	66
Ohoopee, Ga.....	140	121	111	103	83	65
Collins, Ga.....	136	118	109	100	82	64
Manassas and Belleville, Ga.....	135	116	108	99	82	64
Hagan and Claxton, Ga.....	133	114	106	98	81	62
Daisy, Ga.....	131	113	105	96	79	62
Groveland, Ga.....	129	110	103	95	78	61
Reka, Ga.....	128	109	101	94	77	61
Pembroke, Ga.....	125	106	99	91	76	60
Elhabelle, Ga.....	123	105	98	90	74	60
Meldrim, Ga.....	118	100	94	85	72	57
Savannah, Ga.....	95	80	75	70	58	46

6. Rates from Cincinnati, Ohio, to Savannah, Ga.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Harri-man Junction; Southern Railway through Asheville and Columbia to Savannah; 756 miles.

Rates: The rates to intermediate stations on this route between Knoxville and Columbia have been given in connection with the rates to Charleston.

Below are shown the rates from Cincinnati to all stations on the Southern Railway between Columbia and Savannah:

Cincinnati, Ohio, to—	1	2	3	4	5	6
STATIONS ON THE SOUTHERN RAILWAY.						
Columbia, S. C.....	107	92	81	65	53	44
Cayce, S. C.....	107	92	79	65	53	44
Shuler to Blackville, S. C., inclusive.....	107	103	84	65	52	42
Barnwell, S. C.....	117	107	86	67	55	47
Yenome, S. C.....	147	127	104½	79½	66	55
Kline to Seigling, S. C., inclusive.....	147	128	104½	79½	66	55
Allendale, S. C.....	142	121	104½	79½	66	55½
Barton, S. C.....	145	125	104½	79½	66	55
Valentine, S. C.....	141	120	104½	79½	66	55
Estill to Furman, S. C., inclusive.....	136	116	104½	79½	66	55
Pineland, S. C.....	134	114	104	79½	66	55
Tarboro and Tillman, S. C.....	132	113	104	79½	66	55
Hardeeville and Durysburg, S. C.....	136	116	107	99	79	65
O'Leary and Monteth, S. C.....	117	99	93	84	71	57
Savannah, Ga.....	95	80	75	70	58	46

7. Rates from Louisville, Ky., to Brunswick, Ga.

Route: Louisville & Nashville Railroad to Montgomery; Atlantic Coast Line, Montgomery to Brunswick; 863 miles.

Rates: The rates to intermediate stations north of Montgomery have been described in connection with the rates to Savannah.

Below are shown the rates from Louisville to all stations on the route selected from Montgomery, Ala., to Brunswick, Ga.:

Louisville, Ky., to—	1	2	3	4	5	6
STATIONS ON THE ATLANTIC COAST LINE.						
Montgomery, Ala.....	98	87	78	62	50	41
Sprague, Ala.....	126	111	100	82	68	55
Ramer, Ala.....	130	115	104	86	71	57
Ansley, Ala.....	134	119	105	88	73	59
Troy, Ala.....	136	116	102	86	71	58
Banks to Arlton, Ala., inclusive.....	140	120	105	88	73	60
Ozark, Ala.....	136	116	102	86	71	52
Waterford to Grimes, Ala., inclusive.....	140	120	105	88	73	60
Dothan, Ala.....	136	116	102	86	71	58
Cowarts, Ala., to Brinson, Ga., inclusive.....	140	120	105	88	73	60
Bainbridge, Ga.....	132	112	98	82	68	55
Climax, Ga.....	146	121	95	89	76	71
Whigham, Ga.....	146	124	97	92	76	71
Cafo, Ga.....	146	127	101	92	76	61
Pine Park, Ga.....	146	127	102	92	76	61
Thomasville, Ga.....	143	124	110	90	74	59
Boston, Ga.....	146	127	107	92	76	61
Pidcock and Dixie, Ga.....	146	127	108	92	76	61
Quitman, Ga.....	143	124	110	90	74	59
Ousley, Ga.....	146	127	112	92	76	61
Kinderlou, Ga.....	146	127	112	92	76	71

Louisville, Ky., to—	1	2	3	4	5	6
STATIONS ON THE LOUISVILLE & NASHVILLE R. R.—continued.						
Pine Bluff, Fla.....	113	92	72	67	57	50
Melms, Fla.....	113	92	72	65	54	48
Cantonment and Gonzalez, Fla.....	105	84	72	61	50	44
Gulf Point, Fla.....	115	94	76	67	56	50
Maist, Fla.....	120	98	76	70	59	53
Wilton, Fla.....	116	96	76	67	52	45
Harold, Fla.....	120	98	76	71	64	57
Belts, Fla.....	120	98	76	71	66	59
Galliver and Milligan, Fla.....	120	98	76	71	66	61
Crestview, Fla.....	125	102	79	74	69	61
Dorland, Fla.....	125	102	79	74	69	63
Maryhead, Fla.....	125	102	79	74	69	65
DeFuniak Springs to Smoaks, Fla., inclusive.....	125	102	79	74	69	65
River Junction, Fla.....	120	96	72	66	65	62
STATIONS ON THE SEABOARD AIR LINE R. R.						
Quincy, Fla., inclusive.....	147	127	113	93	78	64
.....	171	143	138	123	101	84
.....	147	127	113	93	78	64
.....	167	145	134	119	99	82
.....	165	143	134	117	97	81
.....	163	142	132	115	96	79
.....	147	127	113	93	78	64
.....	157	135	125	111	93	79
.....	155	135	124	109	92	74
.....	147	127	113	93	78	64
.....	147	120	118	106	90	71
.....	139	122	113	102	87	69
.....	136	118	110	100	83	66
.....	131	114	107	97	81	65
McClenny, Fla.....	127	110	103	93	78	64
.....	123	106	99	89	75	61
.....	96	80	75	70	58	46

10. Rates from Cincinnati to Jacksonville.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Southern Railway, Chattanooga to Jesup, Ga.; Atlantic Coast Line, Jesup to Jacksonville; 843 miles.

Rates: The rates to intermediate stations on this line north of Jesup were given in connection with the rates from Cincinnati to Brunswick, Ga.

Below are shown the rates from Cincinnati to all stations on the Atlantic Coast Line between Jesup and Jacksonville:

Cincinnati, Ohio, to—	1	2	3	4	5	6
STATIONS ON THE ATLANTIC COAST LINE R. R.						
Jesup, Ga.....	129	110	103	92	76	61
Broadhurst, Ga.....	133	115	106	92	76	61
McKinnon, Ga.....	131	112	105	92	76	61
Horlense, Ga.....	129	110	103	92	76	61
Raybon, Ga.....	131	112	105	92	76	61
Nahunta and Hickox, Ga.....	126	106	100	92	76	61
Wimaker, Ga.....	130	111	104	92	76	61
Newell, Ga.....	133	115	106	92	76	61
Yelston, Ga.....	134	116	107	92	76	61
Boulorne, Fla.....	131	114	106	92	76	61
Hillard and Dyale, Fla.....	127	110	103	92	76	61
Estiff and Stuart, Ga.....	123	106	99	89	72	60
Dismore and Pickett, Fla.....	119	101	95	85	72	60
Jacksonville, Fla.....	95	80	75	70	58	46

Cincinnati, Ohio, to—	1	2	3	4	5	6
STATIONS ON THE SOUTHERN RAILWAY—continued.						
Flovilla and Cork, Ga.....	136	119	107	89	73	57
Berner, and Juliette, Ga.....	131	115	104	85	70	57
Berry Creek Tank and Polhill, Ga.....	128	113	101	83	69	56
Danies Ferry, and Pope Ferry, Ga.....	126	110	100	80	68	54
Holton, Ga.....	123	108	97	78	65	53
Virgin, Ga.....	118	104	94	75	63	51
Macon, Ga.....	103	90	81	65	54	43
Reid and Phillip, Ga.....	123	108	97	78	65	53
Bullard, Ga.....	126	110	100	80	68	54
Adams Park, Ga.....	128	113	101	83	69	56
Ettrick and Westlake, Ga.....	131	115	104	85	70	57
Ainslie, Ga.....	133	116	105	86	72	57
McGriff and Coley, Ga.....	136	119	107	89	73	58
Cochran, Ga.....	137	120	109	90	74	58
Hawkinsville, Ga.....	123	107	96	78	65	52
Empire, Ga.....	139	123	111	91	75	59
Dubois and Gresston, Ga.....	141	124	112	93	77	59
Eastman, Ga.....	144	128	115	95	78	61
Godwinsville, Ga.....	147	130	116	96	79	62
Chauncey to Cox, Ga., inclusive.....	148	131	117	98	79	62
Achord, Ga.....	151	134	119	99	80	63
Helena and McRae, Ga.....	143	124	110	90	74	59
Scotland, Ga.....	154	133	121	101	82	64
Towns, Ga.....	151	130	119	101	82	64
Wilcox and Lumber City, Ga.....	150	129	118	101	83	66
Ocmulgee, Ga.....	148	128	116	101	83	66
Hazelhurst, Ga.....	146	126	115	103	84	67
Graham, Ga.....	144	125	114	103	84	66
Pine Grove and Prentiss, Ga.....	143	124	113	104	84	66
Baxley, Ga.....	140	121	111	103	83	65
Wheaton, Ga.....	139	120	110	101	83	65
Surrency, Ga.....	136	118	109	100	82	64
Brentwood and Odum, Ga.....	135	116	108	99	82	64
Nesbitt, Ga.....	131	113	105	96	79	62
Jesup, Ga.....	129	110	103	92	76	61
Odessa and Gardi, Ga.....	128	109	101	94	77	61
Bennett's Still to Grangerville, Ga., inclusive.....	125	106	99	91	76	60
Mount Pleasant, Ga.....	123	105	98	90	74	60
Everett, Ga.....	120	103	95	88	73	59
Belle Vista and Zuta, Ga.....	118	100	94	85	72	57
Walbirg and Sterling, Ga.....	115	98	91	83	69	56
Dock Junction, Ga.....	110	94	88	80	67	54
Brunswick, Ga.....	95	80	75	70	58	46

9. Rates from Louisville to Jacksonville.

Route: Louisville & Nashville Railroad to River Junction, Fla.; Seaboard Air Line, River Junction to Jacksonville; 960 miles.

Rates: The rates to intermediate stations north of Montgomery have been described in connection with the rates to Savannah.

Below are shown the rates from Louisville to all stations on the route selected between Montgomery and Jacksonville:

Louisville, Ky., to—	1	2	3	4	5	6
STATIONS ON THE LOUISVILLE & NASHVILLE R. R.						
Montgomery, Ala.....	98	87	78	62	50	41
McGehees, Ala.....	108	88	78	64	57	47
Tyson, Ala.....	110	90	78	65	60	52
Letohatchee, Ala.....	110	90	78	65	60	54
Calhoun to Georgiana, Ala., inclusive.....	110	90	78	65	60	56
Garland to Pollard, Ala., inclusive.....	113	92	78	67	62	58
Flomaton, Ala.....	113	92	78	67	62	56
Century, Fla.....	113	92	72	67	62	56
Bluff Springs, Fla.....	113	92	72	67	60	54
McDavid, Fla.....	113	92	72	67	58	57

Louisville, Ky., to—	1	2	3	4	5	6
STATIONS ON THE LOUISVILLE & NASHVILLE R. R.—continued.						
Pine Barren, Fla.....	113	92	72	67	57	50
Molino, Fla.....	113	92	72	65	54	48
Cantonment and Gonzalez, Fla.....	105	88	72	61	50	44
Gull Point, Fla.....	115	97	76	67	56	50
Mulat, Fla.....	120	98	76	70	59	53
Milton, Fla.....	115	98	76	67	52	45
Harold, Fla.....	120	98	76	71	64	57
Holts, Fla.....	120	98	76	71	66	59
Galliver and Milligan, Fla.....	120	98	76	71	66	61
Crestview, Fla.....	125	102	79	74	69	61
Deerland, Fla.....	125	102	79	74	69	63
Mossyhead, Fla.....	125	102	79	74	69	65
DeFuniak Springs to Sneads, Fla., inclusive.....	125	102	79	74	69	65
River Junction, Fla.....	120	96	72	69	65	62
STATIONS ON THE SEABOARD AIR LINE R. R.						
Mount Pleasant to Quincy, Fla., inclusive.....	147	127	113	93	78	64
Midway, Fla.....	171	148	136	123	101	84
Tallahassee, Fla.....	147	127	113	93	78	64
Chaires, Fla.....	167	145	134	119	99	82
Lloyd, Fla.....	165	143	134	117	97	81
Drifton and Aucilla, Fla.....	163	142	132	115	96	79
Greenville and Madison, Fla.....	147	127	113	93	78	64
Lee, Fla.....	157	138	125	111	93	76
Ellaville and Falmouth, Fla.....	155	135	124	109	92	74
Live Oak, Fla.....	147	127	113	93	78	64
Houston and Welborn, Fla.....	147	130	118	106	90	71
Lake City and Watertown, Fla.....	139	122	113	102	87	69
Olustee, Fla.....	135	118	110	100	83	66
Sanderson, Fla.....	131	114	107	97	81	65
Glen St. Mary and McClenny, Fla.....	127	110	103	93	78	64
Baldwin, Fla.....	123	106	99	89	75	61
Jacksonville, Fla.....	95	80	75	70	58	46

10. Rates from Cincinnati to Jacksonville.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Southern Railway, Chattanooga to Jesup, Ga.; Atlantic Coast Line, Jesup to Jacksonville; 843 miles.

Rates: The rates to intermediate stations on this line north of Jesup were given in connection with the rates from Cincinnati to Brunswick, Ga.

Below are shown the rates from Cincinnati to all stations on the Atlantic Coast Line between Jesup and Jacksonville:

Cincinnati, Ohio, to—	1	2	3	4	5	6
STATIONS ON THE ATLANTIC COAST LINE R. R.						
Jesup, Ga.....	129	110	103	92	76	61
Broadhurst, Ga.....	133	115	106	92	76	61
McKinnon, Ga.....	131	112	105	92	76	61
Hortense, Ga.....	129	110	103	92	76	61
Raybon, Ga.....	131	112	105	92	76	61
Nahunta and Hickox, Ga.....	126	108	100	92	76	60
Winekur, Ga.....	130	111	104	92	76	61
Newell, Ga.....	133	115	106	92	76	61
Folkston, Ga.....	134	115	107	92	76	61
Boulogne, Fla.....	131	114	106	92	76	61
Hilliard and Dyals, Fla.....	127	110	103	92	76	61
Ratliff and Stuart, Ga.....	123	106	99	89	76	61
Dinsmore and Pickett, Fla.....	119	101	95	85	72	59
Jacksonville, Fla.....	95	80	75	70	58	46

THE DEFENSE.

The defense of the carriers for making lower rates from the Ohio River crossings to the south Atlantic ports than to intermediate stations rests primarily upon these grounds:

1. The active, present, compelling competition of the trunk lines from the Ohio River cities and central freight association territory to north Atlantic ports, together with the steamship lines operating therefrom to the south Atlantic ports, necessitates the maintenance of the present rates to these ports.

2. That these rates are subnormal.

3. That they pay more than the additional cost of handling.

4. That the rates to intermediate stations are not unreasonable.

The rates made by the trunk lines and the water carriers from Ohio River crossings and from points in central freight association territory to the south Atlantic ports are in nearly all instances lower than the rates made by the all-rail lines operating from and through the Ohio River crossings.

The following are examples of the rates on the numbered classes from Cincinnati, Louisville, St. Louis, Chicago, and other points, via New York and ocean, as compared with the all-rail rates made through the Ohio River crossings.

Charleston, Brunswick, Savannah, and Jacksonville from—	1	2	3	4	5	6
Cincinnati, Ohio:						
Via New York and ocean.....	102	88½	70½	53½	41	33½
All rail.....	95	80	75	70	58	47
Louisville, Ky.:						
Via New York and ocean.....	112	99	77	55	45	37
All rail.....	95	80	75	70	58	46
St. Louis, Mo.:						
Via New York and ocean.....	124½	108	85½	63	50	41
All rail.....	118	99	92	82	68	54
Chicago, Ill.:						
Via New York and ocean.....	112	97	77	57	45	37
All rail.....	130	110	97	82	68	54
Detroit, Mich.:						
Via New York and ocean.....	95	82½	66	49½	38½	31½
All rail.....	131½	111½	93	74½	61½	48½
Fort Wayne, Ind.:						
Via New York and ocean.....	104½	90½	72	53½	42	34½
All rail to Charleston.....	128	108½	90	68½	54	44½
All rail to Brunswick, Savannah, and Jacksonville.....	128	108½	97	78½	65	51½
Grand Rapids, Mich.:						
Via New York and ocean.....	109	94½	75	55½	44	36
All rail to Charleston.....	134	114½	93	70½	56	46
All rail to Brunswick, Savannah, and Jacksonville.....	138	116½	102	80½	67	53
South Bend, Ind.:						
Via New York and ocean.....	109	94½	75	55½	44	36
All rail to Charleston.....	130	110	93	70½	56½	46
All rail to Brunswick, Savannah, and Jacksonville.....	130	110	97	80½	67	53

The class rates shown above as applying from Cincinnati, Louisville, St. Louis, and other points via New York and ocean to the south Atlantic ports are governed by the official classification and as shown some of them are higher, though most of them are lower than the rates of the all-rail lines on the corresponding classes which are governed by the southern classification. However, in section 2

of the tariff of the trunk lines serving Ohio River points through Baltimore in connection with the Merchants & Miners Transportation Company, rates governed by the southern classification are published to the south Atlantic ports, which rates are the following amounts lower than the rates published by the all-rail lines:

1	2	3	4	5	6	A	B	E	H
8	6	5	4	3	2	2	2	3	4

If rates made on this basis governed by the southern classification are lower than the published rates governed by the official classification, the lower rates are applied. Below are shown representative commodity rates from various points north of the Ohio River to Savannah via New York and ocean as compared with the all-rail rates on the same commodities through the Ohio River crossings:

Commodity.	Origin.	Savannah via—	
		New York and ocean.	All rail.
Starch, c. l.....	Chicago, Ill.....	22½	38
Woven wire fencing, c. l.....	Pittsburgh, Pa.....	22	46
Woven wire fencing, c. l.....	Youngstown, Ohio.....	24	59
Special iron and steel articles, c. l.....	Erie and Pittsburgh, Pa.....	22	31
Special iron and steel articles, c. l.....	Youngstown, Ohio.....	24	36
Dried beans, c. l.....	Jackson, Brown City, and Stockbridge, Mich.....	42½	65½
Cable, telegraph and telephone, c. l.....	Chicago, Ill.....	39½	65½
Lamp chimneys, c. l.....	North Vernon, Ind.....	64½	77
Lamp chimneys, c. l.....	Alexandria and Shirley, Ind.....	67	81½

Upon the whole record it may be regarded as fairly well established that the rates made from the Ohio River crossings to the south Atlantic ports are induced by an active, present, compelling competition over which these petitioners have no control, and such rates can not be materially increased without loss of traffic and consequent loss of revenue to the petitioners herein.

2. Are these rates subnormal?

Of the port cities considered, Charleston and Port Royal are the nearest to the Ohio River crossings, their distance being approximately 750 miles, while the distance to Jacksonville is in the neighborhood of 900 miles. The average distance that all of this freight is carried via the routes here considered is 804 miles, yet we find rates in effect on all classes over this 800-mile haul participated in by two or more lines in each case which are below the all-rail rates made from New York to Atlanta, Chattanooga, Athens, or any other competitive point in southeastern territory at a like distance from New York, and below the average rates which are made over two-line hauls in southeastern territory for a distance of 300 miles as shown by Exhibit No. 117. Certain testimony has been submitted tending to show the disadvantage under which these southern lines operate in comparison with the trunk lines with which they

compete for business. Below are shown for the year 1909 the gross and net earnings per mile of road, traffic density, and average train-loads of carriers operating in territory known as groups 2, 3, and 5. Group 2 includes all of the states of New Jersey, Delaware, and Maryland, most of the states of New York and Pennsylvania, and some of West Virginia. Group 3 includes the states of Indiana, Ohio, the southern peninsula of Michigan, a small portion of the state of West Virginia, and such portions of New York and Pennsylvania as are not included in group 2. Group 5 comprises the states of Kentucky, Tennessee, Alabama, Mississippi, Georgia, Florida, and that part of Louisiana lying south of the Mississippi-Louisiana state line and east of the Mississippi River:

	Gross earnings per mile.	Traffic density, tons per mile.	Average tons in trains.	Net income per mile o' road.
Group 2.....	\$22,009	2,422,317	478.63	\$3,438.83
Group 3.....	13,263	1,624,956	428.72	1,625.00
Group 5.....	7,170	605,280	256.50	599.54

The above figures are taken from the annual reports of the Interstate Commerce Commission of the statistics of railways in the United States and tend strongly to support the claims of the petitioners that these southern railways are not in position to compete on equal terms with the railroads operating north of the Ohio River through central freight and trunk line territories. The claim that the rates now in effect from the Ohio River crossings to the south Atlantic ports should be considered subnormal may be regarded as established.

3. Do these rates, although subnormal, pay more than the additional cost of handling?

The lowest rate on any of the classes to the south Atlantic ports is the rate on class D of 25 cents per 100 pounds. This rate applied over the longest route here considered—960 miles—yields a revenue of 5.2 mills per ton-mile. The indications are that such rates pay more than the additional cost of handling.

4. Are the rates to intermediate stations on the routes selected unreasonable?

(a) The rates from Louisville to Augusta, Ga., and stations intermediate thereto are discussed in subdivision I of this report, and it is unnecessary at this time to discuss any of the rates to intermediate stations except the rates applicable to intermediate stations on the Southern Railway between Augusta and Charleston.

The highest rates at intermediate stations on this line are those beginning with Windsor, S. C., and ending with Elko, S. C. Windsor is 672 miles from Louisville. Below are shown the rates applicable from Louisville to Windsor, and the rates contrasted with the average

rates for 650 and 700 miles over two-line hauls as shown from Exhibit No. 117:

	Miles.	1	2	3	4	5	6
Louisville to Windsor	672	117	107	86	67	55	47
Average rates shown from Exhibit No. 117.....	650	137	118	106	90	74	60
	700	142	126	113	94	80	66

The rates to intermediate stations between Augusta and Charleston are far below the level of the average rates made to noncompetitive points in southeastern territory over like distances. Rates, very slightly less than those above named to Windsor, are blanketed to all stations, Blackville, S. C., to Ladson, S. C., inclusive, a distance of approximately 60 miles. There is nothing to indicate that the rates to intermediate stations on this route are unreasonable.

(b) On the route selected from Cincinnati to Charleston the highest rated points are those stations beginning with Flat Rock, N. C., and ending with Campton, N. C. Below are shown the rates to Flat Rock with distance from Cincinnati contrasted with average rates made for 450 miles in southeastern territory as shown from Exhibit No. 117:

	Miles.	1	2	3	4	5	6
Cincinnati to Flat Rock	465	120	107	91	71	58	49
Average rates.....	450	114	100	89	74	62	50

It will be seen that these maximum rates on this route fairly correspond with the average rates made to noncompetitive points over like distances. South of Flat Rock the rates decrease toward Columbia, S. C., at which point a depression in the rates appears. The situation at Columbia is in many respects similar to that at Augusta, which is discussed in subdivision I of this report, and it is unnecessary at this point to discuss the propriety of the lower scale of rates applying to Augusta, as compared with the rates to intermediate stations. South of Columbia from Lee, S. C., to Woodstock, S. C., inclusive, a distance of approximately 60 miles, a blanket rate is applied. The rates applying to this blanket are below the level of average rates applying to noncompetitive points in southeastern territory over like distances. Between Knoxville and Morristown, Tenn., to stations Mascot to Alpha, inclusive, higher rates are applied, particularly on the first three classes, than are applicable to Morristown. Inasmuch as the rates made to Morristown are blanketed to all stations from Morristown to Asheville, a distance of approximately 80 miles, there would appear to be no good reason why the blanket should not be extended to the inter-

mediate stations, Mascot to Alpha, inclusive. No defense is presented in this record for the maintenance of a higher level of rates to some of these stations between Knoxville and Morristown than to Morristown and stations south thereof.

(c) The route from Louisville to Port Royal is through Augusta, and the rates to intermediate stations west of Augusta are discussed in subdivision I of this report. East of Augusta the route is over the Charleston & Western Carolina Railway. The highest rated intermediate station is found at Hattieville, S. C., 80 miles from Port Royal and 678 miles from Louisville. Below are shown the rates from Louisville to Hattieville contrasted with the average rates for 700 miles made to noncompetitive points in southeastern territory as shown from Exhibit No. 117:

	Miles.	1	2	3	4	5	6
Louisville to Hattieville.....	678	145	125	113	95	76	62
Average rates.....	700	142	126	113	94	80	66

It will be seen that these rates to Hattieville correspond reasonably to the average rates made for like distances in southeastern territory, and there is no reason shown in this record for believing that these rates are unreasonable.

(d) The route from Cincinnati to Port Royal is through Augusta and there is no occasion at this point for considering any of the rates to intermediate stations except those stations between Augusta and Port Royal. The distance from Cincinnati to those stations is approximately the same as from Louisville. The rates are the same, the maximum-rate point occurs at Hattieville, and the same conclusions relative to the reasonableness of these rates must be reached.

(e) On the route from Louisville to Savannah via the Louisville & Nashville Railroad to Montgomery and the Seaboard Air Line it will be unnecessary to discuss any of the rates to intermediate points except to stations east of Cordele, the rates from Louisville to Cordele and intermediate stations being discussed in subdivision L of this report. On the route of the Seaboard Air Line east of Cordele the rates reach a maximum at Milan, Ga. Milan is 124 miles from Savannah, and 705 miles from Louisville. Below are shown the rates from Louisville to Milan contrasted with the average rates made for 700 miles to noncompetitive points as shown from Exhibit No. 117:

	Miles.	1	2	3	4	5	6
Louisville to Milan.....	705	159	138	126	104	86	68
Average rates.....	700	142	126	113	94	80	66

Milan is 10 miles west of Helena, Ga., a junction point with the Southern Railway. The rates applicable to Helena are

143 124 110 90 74 59

The distance from Louisville to Helena, Ga., via the Southern Railway and Cincinnati, New Orleans & Texas Pacific Railway is 632 miles, and via the Louisville & Nashville and Seaboard Air Line is 715 miles. The rates maintained thereto correspond reasonably to the average rates in this territory for distances of 650 miles as shown from Exhibit No. 117. Both the Southern Railway and the Seaboard Air Line maintain higher rates to the intermediate points, and no sufficient justification appears in this record for the maintenance of such higher rates. We are of the opinion that the rates from Louisville to Helena should not be exceeded at intermediate points and that so long as the lower rates are continued to Savannah the rates to stations east of Helena should not exceed the rates to that point by more than 5 per cent nor in any case be higher than the combination on Savannah.

(f) On the route from Cincinnati to Savannah via the Cincinnati, New Orleans & Texas Pacific Railway and the Southern Railway the rates to points north of Columbia have been discussed in connection with the rates to Charleston. South of Columbia the highest rated points are Yenome, S. C., to Furnam, S. C., inclusive, a distance of approximately 36 miles. To these points blanket rates apply on the last four classes. Yenome is the highest rated point. It is 87 miles from Savannah and 669 miles from Cincinnati. The class rates from Cincinnati to Yenome are—

147 127 104½ 79½ 66 55

The rates on the first two classes are slightly higher, but on the last four classes are considerably lower than the average rates made for like distances in this territory as shown from Exhibit No. 117. Upon the whole record we are of the opinion that the carriers should be permitted to continue their present rates from Cincinnati to Savannah, while maintaining higher rates to these intermediate stations, provided the present rates to the intermediate stations are not exceeded.

(g) On the route from Louisville to Brunswick the rates to intermediate stations on the Louisville & Nashville Railroad north of Montgomery are discussed in subdivision I of this report. East of Montgomery the route is over the Atlantic Coast Line Railroad. Depressions appear in the rates to stations on the Atlantic Coast Line at Ozark, and Dothan, Ala., Bainbridge, Thomasville, Quitman, and Valdosta, Ga. Troy, Ozark, and Dothan, Ala., are junction points with the Central of Georgia Railroad and all enjoy the same rates from Louisville, namely:

136 116 102 86 71 58

which are—

4 4 3 2 2 2

cents respectively less than the rates on corresponding classes to local stations in the same vicinity. Bainbridge, Ga., is on the Flint River and is a junction point with the Georgia, Florida & Alabama Railroad extending from Richland, Ga., to Apalachicola. The rates to Bainbridge are to some extent influenced by water competition and are at a slightly lower level than the rates to Ozark, Troy, and Dothan named above. The rates to Bainbridge are—

132 112 98 82 68 55

which are—

8 8 7 6 5 5

cents, respectively, less than the rates on the corresponding classes to stations immediately west of Bainbridge. Thomasville, Ga., is a junction point with the Atlanta, Birmingham & Atlantic and the Florida Central railroads. Quitman is a junction point with the South Georgia Railway. Valdosta is a junction point with the Georgia & Florida Railroad, the Georgia Southern & Florida Railway, and the Valdosta, Moultrie & Western Railroad.

Thomasville, Quitman, and Valdosta all take the same rates from Louisville, namely:

143 124 110 90 74 59

These rates are small differentials less than the rates applicable to local stations in the same territory. The rates to stations east of Bainbridge very nearly conform to the provisions of the fourth section, the rates to local stations being small differentials only higher than the rates to junction points.

The rates to the junction points and to the local points on this line compare favorably with the rates made for like distances to non-competitive points in this territory, as shown from Exhibit No. 117. This carrier has explained the scale of rates applicable to the stations on this line by stating that at the time these rates were established it was the intention to subsequently correct all violations of the fourth section as between rates to local and junction points by increasing the rates to the junction points, or by decreasing the rates to the local points. Such correction has not yet been brought about. We are of the opinion that these rates to local and junction points on the Atlantic Coast Line Railroad should be brought into conformity with the long-and-short-haul rule of the fourth section except as to Bainbridge, Ga., and as to stations east of Dupont, Ga., to which rates made by combination on Brunswick are lower than to intermediate points.

The Louisville & Nashville Railroad and the Atlantic Coast Line Railroad should be authorized to continue lower rates from Louisville to Brunswick than the rates concurrently applicable on like traffic to intermediate stations, provided the rates to intermediate

local stations are not increased, and provided further that the rates to all intermediate local and junction points except Bainbridge between Montgomery and Dupont be made to conform to the long-and-short-haul rule of the fourth section.

(h) On the route from Cincinnati to Brunswick the rates to points north of Atlanta are discussed in subdivision L, and to points between Atlanta and Macon in subdivision I of this report. South of Macon a depression appears in the rates at Helena and McRae, Ga., two stations contiguous to each other and but 2 miles apart. Helena is a junction point with the Seaboard Air Line Railway and takes rates from Cincinnati of—

	143	124	110	90	74	59
These rates are—	8	10	9	9	6	4

cents less on classes 1 to 6, respectively, than the rates to Achord, a station 3 miles north of Helena. The distance from Cincinnati to Helena is 656 miles and the rates made thereto correspond reasonably to the average rates made for 650 miles to noncompetitive points in this territory as shown from Exhibit No. 117.

We are of the opinion that the rates made to Helena should not be exceeded at intermediate points. These carriers should be authorized to continue lower rates to Brunswick and higher rates to intermediate points, provided the rates to stations west of Helena are so corrected as to not exceed the present rates to Helena and the rates to stations east of Helena do not exceed the rates to Helena by more than 5 per cent and in no case exceed the combination on Brunswick.

(i) On the route from Louisville to Jacksonville, Fla., the rates to intermediate stations on the Louisville & Nashville Railroad north of Pensacola are discussed in subdivision E of this report. East of Pensacola the rates to stations on the Louisville & Nashville Railroad accord with the fourth section with the exception of River Junction, Fla. To this point the rates are 5, 6, 7, 5, 4, 3 cents per 100 pounds less than upon corresponding classes to intermediate stations. River Junction is on the Apalachicola River and the rates to that point have, without doubt, been influenced by that circumstance. Testimony shows that boats operating on the river carry traffic to Columbus, Ga., Eufaula, Ala., and River Junction, Fla., and other points. East of River Junction the route is over the Seaboard Air Line Railway. Depressions appear in the rates to Tallahassee, Greenville, Madison, and Live Oak, Fla. Tallahassee is a junction point with the Georgia, Florida & Alabama Railroad. Greenville is a junction point with the South Georgia Railroad. Madison is a junction with the Georgia & Florida Railway, and Live Oak is

a junction with the Atlantic Coast Line and with the Live Oak, Perry & Gulf Railroad. Additional routes are furnished from Louisville to Tallahassee, Greenville, Madison, and Live Oak by means of the railroads named extending in a general north and south direction and connecting with the Atlantic Coast Line and other trunk lines. The same rates are made to all these four junction points, namely:

147 127 113 93 78 64

These rates are materially less than the rates to intermediate stations. There is no adequate justification shown in this record for departures from the rule of the fourth section as between rates made to junction points and to local points on this line. The Commission will not undertake in this proceeding to pass upon the reasonableness of the rates to each and every intermediate point. The petitioners should be allowed relief as to the rates made to Jacksonville and to intermediate points basing thereon, provided the departures from the fourth section in the rates to intermediate local and junction points are corrected by establishing graded or blanket rates thereto not higher than the average rates made to noncompetitive points for like distances in the southeastern territory as shown from Exhibit No. 117.

(7) The route from Cincinnati to Jacksonville is the same as that to Brunswick, heretofore discussed, up to Jesup, Ga. From Jesup the route is over the Atlantic Coast Line Railroad. The rates are comparatively low, and while slight depressions appear in these rates at Hortense and Nahunta, Ga., these are due to the proximity of these points to the port of Brunswick and the lower combinations that can be made on that point. The rates to intermediate points south of Jesup compare favorably with other rates for like distances in the same general territory, and the petitioners should be relieved from the provisions of the fourth section as to the rates to Jacksonville and points based thereon.

SUBDIVISION E.

RATES FROM OHIO RIVER CROSSINGS, ST. LOUIS, MO., AND CHICAGO, ILL., TO GULF PORTS.

In this subdivision will be discussed the rates from Cairo, Ill., to New Orleans, Mobile, and Pensacola; from Louisville and Cincinnati to New Orleans, Mobile, Pensacola, and Tampa; from St. Louis and Chicago to New Orleans, Mobile, and Pensacola. But one route

has been selected in such case the intermediate stations on the direct routes have been selected in such case as to best serve the public interest in transportation.

1. Rates from Cairo to New Orleans.
Route: Illinois Central Railroad 502 miles.

Below are shown the rates on the New Orleans and Gulf Coast line of the Illinois Central Railroad from the intermediate stations on the line through Fulton, Ky., Jackson, Tenn., Memphis, Tenn., and New Orleans, Miss., to New Orleans.

Table 1.					
Station	Class A	Class B	Class C	Class D	Class E
Wickliffe, Ky.	25.00	18.00	15.00	12.00	10.00
Bardwell, Ky.	24.00	17.00	14.00	11.00	9.00
Arlington, Ky.	23.00	16.00	13.00	10.00	8.00
Clinton, Ky.	22.00	15.00	12.00	9.00	7.00
Crutcher, Ky.	21.00	14.00	11.00	8.00	6.00
Fulton, Ky.	20.00	13.00	10.00	7.00	5.00
McConnell, Tenn.	19.00	12.00	9.00	6.00	4.00
Martin, Tenn.	18.00	11.00	8.00	5.00	3.00
Sharon, Tenn.	17.00	10.00	7.00	4.00	2.00
Greenfield, Tenn.	16.00	9.00	6.00	3.00	1.00
Bradford, Tenn.	15.00	8.00	5.00	2.00	1.00
Edwards, Tenn.	14.00	7.00	4.00	1.00	1.00
Cades and Milan, Tenn.	13.00	6.00	3.00	1.00	1.00
Medina, Tenn.	12.00	5.00	2.00	1.00	1.00
Jackson, Tenn.	11.00	4.00	1.00	1.00	1.00
Madison, Tenn.	10.00	3.00	1.00	1.00	1.00
Tenn., Tenn.	9.00	2.00	1.00	1.00	1.00
Bellevue, Tenn.	8.00	1.00	1.00	1.00	1.00
Hickory Valley, Tenn.	7.00	1.00	1.00	1.00	1.00
Grand Junction, Tenn.	6.00	1.00	1.00	1.00	1.00
Michigan City to Hudsonville, Mich., inclusive	5.00	1.00	1.00	1.00	1.00
Holly Springs, Miss.	4.00	1.00	1.00	1.00	1.00
Waterford, Miss.	3.00	1.00	1.00	1.00	1.00
Abbeville, Miss.	2.00	1.00	1.00	1.00	1.00
Oxford, Miss.	1.00	1.00	1.00	1.00	1.00
Taylor, Miss.	1.00	1.00	1.00	1.00	1.00
Water Valley, Miss.	1.00	1.00	1.00	1.00	1.00
Coffeyville and Terrence, Miss.	1.00	1.00	1.00	1.00	1.00
Grenada, Miss.	1.00	1.00	1.00	1.00	1.00
Elliott and Duck Hill, Miss.	1.00	1.00	1.00	1.00	1.00
Winona, Miss.	1.00	1.00	1.00	1.00	1.00
Valden to Durant, Miss., inclusive	1.00	1.00	1.00	1.00	1.00
Goodman, Miss.	1.00	1.00	1.00	1.00	1.00
Pickens and Vaughan, Miss.	1.00	1.00	1.00	1.00	1.00
Way, Miss.	1.00	1.00	1.00	1.00	1.00
Canton to Tougaloo, Miss., inclusive	1.00	1.00	1.00	1.00	1.00
Jackson, Miss.	1.00	1.00	1.00	1.00	1.00
Byram, Miss.	1.00	1.00	1.00	1.00	1.00
Terry, Miss.	1.00	1.00	1.00	1.00	1.00
Crystal Springs to Hazelhurst, Miss., inclusive	1.00	1.00	1.00	1.00	1.00
Martinsville to Brookhaven, Miss., inclusive	1.00	1.00	1.00	1.00	1.00
Bogue Chitto to Magnolia, Miss., inclusive	1.00	1.00	1.00	1.00	1.00
Chatawa, Miss., to Arcola, La., inclusive	1.00	1.00	1.00	1.00	1.00
Roseland to La Branch, La., inclusive	1.00	1.00	1.00	1.00	1.00
New Orleans, La. ¹	1.00	1.00	1.00	1.00	1.00

¹ Other New Orleans class rates—A, 21; B, 32; C, 20; D, 15; E, 33; F, 35; H, 47.

2. Rates from Cairo to Mobile and to intermediate stations.
Route: Mobile & Ohio Railroad; 502 miles.

Rates: The rates from Cairo to stations north of Saltillo, Minn., do not exceed the rates to Mobile.

30 I. C. C.

Below are shown the rates on the first six classes from Cairo to stations on the Mobile & Ohio Railroad from Saltillo, Miss., to Mobile:

Cairo, Ill., to—	1	2	3	4	5	6
Saltillo, Miss.....	67	57	46	40	34	29
Tupelo, Miss.....	68	57	46	41	34	29
Verona, Miss.....	71	59	48	41	35	31
.....	76	62	49	43	37	33
....., inclusive.....	80	65	50	45	38	32
.....	80	65	50	45	38	33
.....	85	70	53	47	41	35
.....	88	72	57	49	42	37
.....	93	76	61	53	45	39
.....	99	82	71	60	49	43
.....	83	72	60	51	42	37
Waynesboro, Miss., inclusive.....	103	89	75	63	51	43
.....	111	97	83	70	57	49
.....	116	98	84	68	56	48
.....	112	94	81	65	54	47
.....	97	81	71	56	45	40
.....	75	63	55	42	35	29

¹ Other Mobile class rates: A, 21; B, 32; C, 20; D, 15; E, 23; F, 25; H, 47.

3. Rates from Cairo to Pensacola.

Route. Mobile & Ohio Railroad to Mobile; Louisville & Nashville Railroad, Mobile to Pensacola; 606 miles.

Rates. The rates from Cairo to intermediate stations north of Mobile have been given in the preceding section.

Below are shown the rates from Cairo to stations on the Louisville & Nashville Railroad, Mobile to Pensacola:

Cairo, Ill., to—	1	2	3	4	5	6
Hurricane, Ala.....	107	89	77	61	50	44
Doliver, Ala.....	113	94	80	65	54	48
Dyess, Ala.....	115	94	80	67	54	48
Atmore, Ala.....	115	94	80	69	54	48
Canoe and Flomaton, Ala.....	115	94	80	69	53	48
Century, Fla.....	112	92	80	67	50	44
Bluff Springs, Fla.....	112	92	80	67	53	48
McDavid, Fla.....	112	92	80	67	53	48
Molino, Fla.....	110	92	79	63	52	46
Cottage Hill, Fla.....	107	89	77	61	50	44
Cantonment, Fla.....	102	87	74	59	48	42
Goulding, Fla.....	99	82	72	56	45	39
Pensacola, Fla. ¹	87	73	62	48	38	33

¹ Other Pensacola class rates: A, 22; B, 36; C, 24; D, 24; E, 26; H, 54; F, 44.

4. Rates from Louisville to Mobile and intermediate stations.

Route: Louisville & Nashville Railroad; 670 miles.

Rates: The rates from Louisville to intermediate stations north of Montgomery have been given in subdivision I. of this report in the discussion of the route from Louisville to Savannah.

80 I. C. C.

Below are shown the rates from Louisville to all stations on the Louisville & Nashville Railroad between Montgomery and Mobile.

Louisville, Ky., to—	1	2	3	4	5	6
Montgomery, Ala.....	28	34	38	42	46	50
Catons, Ala.....	28	34	38	42	46	50
Tyson, Ala.....	28	34	38	42	46	50
Letchatchee, Ala.....	28	34	38	42	46	50
Calhoun to Georgiana, Ala., inclusive.....	28	34	38	42	46	50
Dunham to Pollard, Ala., inclusive.....	28	34	38	42	46	50
Flemston, Ala.....	28	34	38	42	46	50
Brock, Ala.....	28	34	38	42	46	50
Atmore, Ala.....	28	34	38	42	46	50
Perdido, Ala.....	28	34	38	42	46	50
Dyas, Ala.....	28	34	38	42	46	50
Carneys, Ala.....	28	34	38	42	46	50
Carpenter, Ala.....	28	34	38	42	46	50
Nannemoosha, Ala.....	28	34	38	42	46	50
Magarine, Ala.....	28	34	38	42	46	50
Mobile, Ala.....	28	34	38	42	46	50

5. Rates from Louisville to New Orleans and to intermediate stations.

Route: Louisville & Nashville Railroad; 509 miles.

The route from Louisville to New Orleans is via Mobile, and the rates to Mobile and to stations intermediate thereto are given in the preceding section.

Below are shown the rates from Louisville to all stations on the Louisville & Nashville Railroad between Mobile and New Orleans:

Louisville Ky., to—	1	2	3	4	5	6
Mobile, Ala.....	90	75	65	50	40	35
Choctaw, Ala.....	102	85	74	58	47	41
Venita, Ala.....	105	88	76	61	50	44
Padgett, Ala.....	110	92	76	63	52	46
Grand Bay, Ala.....	116	95	76	67	56	50
McInnis, Ala.....	119	98	76	69	58	52
Seranton, Miss.....	119	100	79	69	58	52
West Pascagoula, Miss.....	116	98	79	69	58	52
Fontainebleau, Miss.....	110	92	79	63	52	46
Ocean Springs, Miss.....	105	88	77	61	50	44
Biloxi, Miss.....	102	85	74	58	47	41
Gulfport, Miss.....	90	75	65	50	40	35
Long Beach, Miss.....	102	85	74	58	47	41
White Harbor, Miss.....	105	88	77	61	50	44
Bay St. Louis, Miss.....	110	92	79	63	52	46
Waveland, Miss.....	113	95	79	65	54	48
Fig Orchard, Miss.....	116	98	79	67	56	50
Dunbar, La.....	119	98	79	69	58	52
Lake Catherine, La.....	116	98	79	67	56	50
Chef Menteur, La.....	116	98	79	63	52	46
Lee, La.....	102	85	74	58	47	41
New Orleans, La.....	90	75	65	50	40	35

6. Rates from Louisville to Pensacola.

Route: Louisville & Nashville Railroad; 654 miles.

The route of the Louisville & Nashville Railroad to Pensacola corresponds with the route to Mobile as far as Flomaton, Ala.

Rates: The rates to stations between Montgomery and Flomaton, Ala., were given in section 4 above. At Flomaton the road forks, the eastwardly branch running to Pensacola, and the westerly branch running to Mobile and New Orleans.

Below are shown the rates from Louisville to all stations on the Louisville & Nashville Railroad from Flomaton to Pensacola:

Louisville, Ky., to—	1	2	3	4	5	6
Flomaton, Ala.....	113	92	78	67	62	56
Century, Fla.....	113	92	72	67	62	56
Bluff Springs, Fla.....	113	92	72	67	60	54
McDavid, Fla.....	113	92	72	67	58	52
Pine Barren, Fla.....	113	92	72	67	57	50
Dolores, Fla.....	113	92	72	65	54	48
Quintette, Fla.....	110	92	72	63	53	46
Ollive, Fla.....	102	85	72	58	47	41
Pensacola, Fla.....	90	75	65	50	40	35

7. Rates from Louisville to Tampa.

Route: Louisville & Nashville Railroad to River Junction, Fla., Seaboard Air Line Railway, River Junction to Tampa; 1,198 miles.

Rates: The rates to stations on this line west of Jacksonville, have been described in subdivision C of this report in connection with the rates from Louisville to Jacksonville.

Below are shown the rates from Louisville to all stations on the Seaboard Air Line Railway south of Jacksonville from Sparr, Fla., to Tampa:

Louisville, Ky., to—	1	2	3	4	5	6
Sparr, Fla.....	151	133	121	108	91	72
Anthony, Fla.....	155	135	124	109	92	74
Ocala, Fla.....	157	138	125	111	93	76
Santos to Summerfield, Fla., inclusive.....	159	140	128	112	94	77
Dallas to Wildwood, Fla., inclusive.....	161	141	130	113	95	78
Coleman and Panasoffkee, Fla.....	163	142	132	115	96	79
Bushnell to Terrell, Fla., inclusive.....	165	143	134	119	99	82
Lacoochee, Fla.....	167	145	134	119	99	82
Dade City, Fla.....	169	147	135	120	100	83
Zephyrhills to Plant City, Fla., inclusive.....	172	149	137	124	102	85
Turkey Creek and Sidney, Fla.....	173	149	133	121	103	86
Brandon, Fla.....	173	149	133	121	103	87
Limona, Fla.....	169	144	129	117	100	86
Ybor City and Tampa, Fla.....	145	123	109	102	86	73

8. Rates from Cincinnati to Mobile.

Route: Louisville & Nashville Railroad; 784 miles.

Rates: The rates to intermediate stations north of Mitchellville, Tenn., do not exceed the rates to Mobile.

Below are shown the rates from Cincinnati to all stations on the Louisville & Nashville Railroad from Mitchellville, Tenn., to Mobile:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Mitchellville, Tenn.....	78	67	58	52	46	43
Fountain Head, Tenn.....	78	67	58	52	45	43
South Tunnel, Tenn.....	78	67	58	50	43	42
Peytona, Tenn.....	78	67	58	48	41	40
Nashville, Tenn.....	53	48	39	31	25	25
Chapman, Tenn.....	78	68	57	48	41	40
Glendale, Tenn.....	90	78	64	56	48	46
Campbells, Tenn.....	94	83	65	59	51	49
Lynnville, Tenn.....	98	83	65	60	52	50
Bufords, Tenn.....	98	83	65	60	53	51
Riversburg, Tenn.....	99	83	65	60	54	51
Pulaski, Tenn.....	99	83	65	60	55	51
Elkmont, Ala.....	99	83	65	60	55	49
Hays Mill, Ala.....	99	83	65	60	55	47
Athens, Ala.....	99	83	65	60	55	45
Tanner, Ala.....	99	83	65	60	54	42
Decatur, Ala.....	89	79	68	55	47	36
Oakworth, Ala.....	101	86	67	62	53	42
Hartsells, Ala.....	104	87	68	63	57	45
Bardist, Ala.....	106	87	68	63	58	47
Lacon, Ala.....	106	87	68	63	58	49
Vinemont, Ala.....	106	87	68	63	58	53
Phelan, Ala.....	108	88	69	64	59	55
Blount Springs, Ala.....	108	88	69	64	59	51
Reids, Ala.....	108	88	69	64	59	49
Warrior, Ala.....	108	88	69	64	59	47
Morris, Ala.....	104	88	69	64	59	47
Cunningham, Ala.....	101	88	69	63	54	42
Birmingham, Ala.....	89	79	68	55	47	36
Parkwood, Ala.....	101	89	70	63	54	42
Tacoo, Ala.....	104	90	70	65	57	45
Helena, Ala.....	89	79	68	55	47	36
Pelham, Ala.....	104	90	70	65	57	45
Keystone, Ala.....	109	90	70	65	59	47
Varnons, Ala.....	110	90	70	65	60	51
Calera, Ala.....	110	90	70	65	60	53
Kalona, Ala.....	110	90	70	65	60	55
Thorsby, Ala.....	113	92	72	67	62	58
Rice's Siding, Ala.....	113	92	72	67	62	58
Elmore, Ala.....	113	92	72	67	62	56
Simms, Ala.....	113	92	72	67	62	53
Montgomery, Ala.....	108	97	88	70	57	47
Catoma, Ala.....	113	97	88	70	62	53
Tyson, Ala.....	113	97	88	70	62	57
Letohatchee and Fort Deposit, Ala.....	113	97	88	70	62	58
Courtsworth to Castleberry, Ala., inclusive.....	116	97	88	70	64	60
Elwy, Ala.....	120	98	88	71	66	62
Flomaton, Ala.....	120	98	88	71	66	60
Brock, Ala.....	120	98	88	71	66	62
Atmore, Ala.....	120	98	88	71	66	61
Perdido, Ala.....	120	98	88	71	64	58
Dyas, Ala.....	120	98	88	71	62	56
Carneys, Ala.....	120	98	88	71	60	54
Carpenter, Ala.....	118	98	88	67	56	50
Nenemoosha, Ala.....	113	96	85	65	54	48
Magazine, Ala.....	110	93	82	62	51	45
Mobile, Ala.....	98	83	73	54	44	36

9. Rates from Cincinnati to New Orleans.

Route: Louisville & Nashville Railroad; 923 miles.

From Cincinnati to New Orleans the route is through Mobile, and the rates to intermediate stations north of Mobile have been given in the preceding section.

Below are shown the rates from Cincinnati to all stations on the Louisville & Nashville Railroad from Mobile to New Orleans:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Mobile, Ala.....	98	83	73	54	44	39
Chotaw, Ala.....	110	93	79	62	51	45
Venetia, Ala.....	113	96	79	65	54	48
Padgett, Ala.....	118	100	79	67	56	50
Grand Bay, Ala.....	124	102	79	71	60	54
McInnis, Miss.....	125	102	79	73	62	56
Pascagoula, Miss.....	127	106	82	73	62	56
West Pascagoula, Miss.....	124	106	82	71	60	54
Fontainebleau, Miss.....	118	100	82	67	56	50
Ocean Springs, Miss.....	113	96	82	65	54	48
Biloxi, Miss.....	110	93	82	62	51	45
Gulfport, Miss.....	98	83	73	54	44	39
Long Beach, Miss.....	110	93	82	62	51	45
White Harbor, Miss.....	113	96	82	65	54	48
Bay St. Louis, Miss.....	118	100	82	67	56	50
Waveland, Miss.....	121	103	82	69	58	52
Fig Orchard, Miss.....	125	106	82	71	60	54
Dunbar, La.....	127	106	82	73	62	56
Lake Catherine, La.....	124	106	82	71	60	54
Chef Menteur, La.....	118	100	82	67	56	50
Micheaud, La.....	113	96	82	65	54	48
Lee, La.....	110	93	82	62	51	45
New Orleans, La.:.....	98	83	73	54	44	39

10. Rates from Cincinnati to Pensacola.

Route: Louisville & Nashville Railroad, 768 miles.

From Cincinnati to Pensacola the route is the same up to Flomaton, Ala., as the route to Mobile.

Below are shown the rates from Cincinnati to all stations on the Louisville & Nashville Railroad between Flomaton and Pensacola:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Flomaton, Ala.....	120	98	88	71	66	60
Century, Fla.....	120	98	76	71	66	60
Bluff Springs, Fla.....	120	98	76	71	66	58
McDavid, Fla.....	120	98	76	71	62	56
Pine Barren, Fla.....	120	98	76	71	60	54
Quintette, Fla.....	118	98	76	67	56	50
Cantonment, Fla.....	113	96	76	65	54	48
Olive, Fla.....	110	93	76	62	51	45
Pensacola, Fla.....	98	83	73	54	44	39

11. Rates from Cincinnati to Tampa.

Route: Cincinnati, New Orleans & Texas Pacific Railway, Cincinnati to Chattanooga; Southern Railway to Jacksonville; Seaboard Air Line Railway to Tampa; 1,065 miles.

Rates: The rates to intermediate stations on this line north of Jacksonville were given in subdivision C of this report in connection with the rates from Cincinnati to Jacksonville.

Below are shown the rates from Cincinnati to all stations on the Seaboard Air Line Railway from Jacksonville to Tampa:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Temple and Starke, Fla.	136	113	118	100	83	68
Waldo, Fla.	139	112	113	102	87	69
Orange Heights and Campville, Fla.	143	120	118	104	90	72
Rex to Lochloosa, Fla., inclusive.	147	126	118	106	93	77
Island Grove to Sparr, Fla., inclusive.	151	133	121	109	94	79
Spring Park and Silver Springs, Fla.	155	135	124	110	95	80
Ocala to Summerfield, Fla., inclusive.	157	136	125	111	96	81
Santos to Summerfield, Fla., inclusive.	159	138	128	112	98	83
Dallas to Wildwood, Fla., inclusive.	161	141	130	113	96	84
Coleman to Sumterville, Fla., inclusive.	163	142	132	115	98	85
Bushnell to Terrell, Fla., inclusive.	165	143	134	117	99	86
Kalam to Crescent, Fla., inclusive.	167	145	134	119	99	87
Dade City and Pasadena, Fla.	169	147	135	120	100	88
Greer and Abbotts, Fla.	171	148	136	123	101	89
Bramlett to Plant City, Fla., inclusive.	172	149	137	124	102	90
Turkey Creek to Brandon, Fla., inclusive.	173	149	138	121	103	90
Lima and Fultons Spar, Fla.	180	144	139	117	100	86
Tampa, Fla.	145	123	108	102	86	73

12. Rates from St. Louis, Mo., to New Orleans, La.

Route: Illinois Central Railroad; 707 miles.

Below are shown the rates from St. Louis to intermediate stations on the route of the Illinois Central Railroad, Cairo to New Orleans:

St. Louis, Mo., to—	1	2	3	4	5	6
Wickliffe, Ky.	40	30	25	18	18	15
Bardwell, Ky.	53	47	30	31	22	19
Arlington, Ky.	57	49	40	32	23	20
Clinton, Ky.	60	53	43	34	25	23
Crutchfield, Ky.	63	55	45	36	27	23
Fulton, Ky.	66	57	47	37	28	24
McConnell, Tenn.	68	59	49	39	29	25
Martin, Tenn.	69	60	50	39	30	25
Sharon, Tenn.	72	62	51	41	30	27
Greenfield, Tenn.	74	64	52	42	30	28
Bradford, Tenn.	76	66	54	44	31	29
Idlewild, Tenn.	78	67	56	46	32	29
Cades and Milan, Tenn.	78	67	57	46	33	29
Medina, Tenn.	82	71	59	48	33	31
Jackson, Tenn.	86	74	62	50	35	33
Medon, Tenn.	93	78	66	53	40	38
Toone, Tenn.	94	81	66	54	43	38
Bolivar, Tenn.	95	81	66	55	43	38
Middleburg, Tenn.	96	81	66	55	43	38
Hickory Valley, Tenn.	96	82	67	55	45	38
Grand Junction, Tenn.	96	83	68	56	45	38
Michigan City to Hudsonville, Miss., inclusive.	97	84	68	56	45	38
Holly Springs, Miss.	98	82	69	57	45	39
Waterford, Miss.	98	85	69	57	45	39
Abbeville, Miss.	99	85	69	57	45	39
Oxford, Miss.	101	86	69	58	47	40
Taylor, Miss.	102	86	70	59	47	40
Water Valley, Miss.	108	90	72	60	50	43
Coffeeville and Torrence, Miss.	112	92	73	62	51	43
Grenada to Winona, Miss., inclusive.	114	94	74	63	51	43
Valden to Durant, Miss., inclusive.	114	94	74	63	51	46
Goodman, Miss.	119	99	76	65	54	46
Pickens, Miss.	122	99	80	67	55	48
Vaughan and Way, Miss.	122	99	82	67	55	48
Canton to Tougaloo, Miss., inclusive.	123	100	83	68	56	49
Jackson, Miss.	98	84	70	59	49	43
Byram, Miss.	123	101	84	69	56	49
Terry and Crystal Springs, Miss.	124	101	84	69	56	49
Gallman and Hazlehurst, Miss.	125	102	84	69	57	50
Martinsville to Brookhaven, Miss., inclusive.	126	103	85	70	58	51
Bogue Chitto to Summit, Miss., inclusive.	127	104	86	70	58	51
McComb to Magnolia, Miss., inclusive.	127	104	86	70	58	51
Chatawa, Miss., to Roseland, La., inclusive.	128	105	87	71	59	52
Amite to Manchac, La., inclusive.	129	105	87	71	59	52
Ruddock, La.	125	105	87	69	58	51
Frnier, La.	123	101	86	68	56	50
La Branch, La.	120	99	85	66	54	49
New Orleans, La.	90	75	65	50	40	35

13. Rates from St. Louis to Mobile.

Route: Mobile & Ohio Railroad; 657 miles.

Rates: The rates to intermediate stations north of Perry, Tenn., do not exceed the rates to Mobile.

Below are shown the rates from St. Louis to stations on the Mobile & Ohio Railroad, Perry to Mobile, inclusive:

St. Louis, Mo., to—	1	2	3	4	5	6
Perry, Tenn.....	87	75	62	51	35	33
Henderson, Tenn.....	87	77	62	52	36	33
Bethel, Tenn.....	89	78	63	52	38	33
Salmer, Tenn.....	90	78	63	52	39	33
Corinth, Miss.....	96	83	68	56	45	38
Rianzi, Miss.....	97	84	68	56	45	38
Booneville, Miss.....	98	85	69	57	45	39
Baldwyn, Miss.....	99	85	69	57	45	39
Guntown, Miss.....	100	86	70	58	46	40
Saltillo, Miss.....	101	86	70	58	47	40
Tupelo, Miss.....	102	86	70	59	47	40
Verona, Miss.....	105	88	72	59	49	42
Okolona, Miss.....	110	91	73	61	50	43
Muldon, Miss.....	114	94	74	63	51	43
West Point and Artesia, Miss.....	114	94	74	63	51	43
Macon, Miss.....	114	94	74	63	51	46
Shuqulak, Miss.....	119	99	77	65	54	46
Wahalak, Miss.....	122	101	81	67	55	48
Scooba, Miss.....	127	105	85	71	59	51
Lauderdale, Miss.....	133	111	95	78	62	54
Meridian, Miss.....	98	84	70	59	49	43
Enterprise to Waynesboro, Miss., inclusive.....	118	101	85	71	58	49
Yellow Pine, Ala.....	126	109	98	78	64	56
Deer Park, Ala.....	131	110	94	76	63	54
Citronelle, Ala.....	127	106	91	73	61	53
Eight Mile, Ala.....	112	93	81	64	52	46
Mobile, Ala.....	90	75	65	50	40	35

14. Rates from St. Louis to Pensacola.

Route: Mobile & Ohio Railroad, St. Louis to Mobile; Louisville & Nashville Railroad to Pensacola; 761 miles.

Rates: The rates from St. Louis to stations intermediate to Mobile have been shown in the preceding section.

Below are shown the rates from St. Louis to all stations on the Louisville & Nashville Railroad, Mobile to Pensacola:

St. Louis, Mo., to—	1	2	3	4	5	6
Magazine, Ala.....	102	85	74	58	47	41
Nenemoosha, Ala.....	105	88	77	61	50	44
Hurricane, Ala.....	110	92	80	63	52	46
Bay Minette, Ala.....	116	98	85	67	56	50
Dyas, Ala.....	119	100	87	69	58	52
Atmore, Ala.....	126	106	93	75	64	57
Cancee, Ala.....	126	106	93	75	65	58
Flomaton, Ala.....	125	105	92	73	62	56
Century, Fla.....	125	103	80	73	62	56
Bluff Springs, Fla.....	122	102	80	71	60	54
McDavid, Fla.....	119	100	80	69	58	52
Pine Barren, Fla.....	116	98	80	67	56	50
Molino, Fla.....	113	95	80	65	54	48
Quintette, Fla.....	110	92	80	63	52	46
Cantonment, Fla.....	105	88	77	61	50	44
Olive to Goulding, Fla., inclusive.....	102	85	74	58	47	41
Pensacola, Fla.....	90	75	65	50	40	35

15. Rates from Chicago to New Orleans.

Route: Illinois Central Railroad; 920 miles.

Rates: The rates from Chicago to New Orleans are not exceeded at intermediate points north of Jackson, Tenn.

Below are shown the rates from Chicago to all stations on the Illinois Central Railroad, Jackson to New Orleans, inclusive:

Chicago, Ill., to—	1	2	3	4	5	6
.....	103	86	73	59	46	43
.....	104	86	74	60	46	43
.....	105	89	74	61	49	43
.....	106	89	74	62	49	43
.....	107	90	75	62	51	43
.....	107	91	75	62	51	43
.....	108	92	76	63	51	43
.....	108	92	76	64	51	43
.....	109	93	76	63	51	44
.....	109	93	77	64	51	44
.....	110	93	77	64	51	44
.....	112	94	77	65	53	46
.....	113	94	78	66	53	46
.....	119	98	80	67	56	48
.....	123	100	81	69	57	48
..... inclusive.....	125	102	82	70	57	48
.....	125	102	81	69	57	48
..... inclusive.....	125	102	82	70	57	51
.....	130	107	84	72	60	51
.....	133	107	88	74	61	53
.....	133	107	90	74	61	53
.....	134	108	91	75	62	54
.....	118	99	80	67	55	49
.....	134	109	82	76	62	54
.....	135	109	92	76	63	54
..... inclusive.....	136	110	92	76	63	55
..... inclusive.....	137	111	93	77	64	56
..... sive.....	138	112	94	77	64	56
..... re.....	139	113	95	78	65	57
.....	140	113	95	78	65	57
.....	140	113	96	77	65	57
.....	140	113	96	76	63	56
.....	140	113	96	74	61	55
.....	110	90	75	58	47	41

16. Rates from Chicago to Mobile.

Route: Illinois Central Railroad to Cairo; Mobile & Ohio Railroad to Mobile; 866 miles.

Rates: The rates from Chicago to Mobile are not exceeded at intermediate stations north of Jackson, Tenn.

Below are shown the rates from Chicago to all stations on the Mobile & Ohio Railroad, Jackson to Mobile, inclusive:

Chicago, Ill., to—	1	2	3	4	5	6
.....	103	86	73	59	46	43
.....	104	87	73	60	46	43
.....	104	89	73	61	47	43
.....	106	90	74	61	49	43
.....	107	90	74	61	50	43
.....	107	91	75	62	51	43
.....	108	92	75	62	51	43
.....	109	93	76	63	51	44
.....	110	93	76	63	51	44
.....	111	94	77	64	52	45
.....	112	94	77	64	53	45
.....	113	94	77	65	53	45

Chicago, Ill., to—	1	2	3	4	5	6
Verona, Miss.....	116	96	79	65	55	47
Okolona, Miss.....	121	99	80	67	56	48
Muldon to Artesia, Miss., inclusive.....	125	102	81	69	57	48
Macon, Miss.....	125	102	81	69	57	51
Shuqualak, Miss.....	130	107	84	71	60	51
Wahalak, Miss.....	133	109	88	73	61	53
Scooba, Miss.....	138	113	92	77	65	56
Lauderdale, Miss.....	144	119	102	84	68	59
Meridian, Miss.....	118	99	80	67	56	49
Enterprise, Miss.....	138	116	95	79	65	55
Shubuta and Waynesboro, Miss.....	148	126	106	87	70	59
Yellow Pine, Ala.....	155	129	108	86	71	62
Deer Park, Ala.....	151	125	104	84	70	60
Citronelle, Ala.....	147	121	101	81	68	59
Eight Mile, Ala.....	132	108	91	72	59	52
Mobile, Ala.....	110	90	75	58	47	41

17. Rates from Chicago to Pensacola.

Route: Chicago & Eastern Illinois Railroad from Chicago to Evansville, Ind.; Louisville & Nashville Railroad to Pensacola; 912 miles.

Rates: The rates from Chicago to Pensacola are not exceeded at intermediate stations north of Nashville, with the single exception of the fifth-class rate at Casky, Ky., which is in excess of the rate to Pensacola on the corresponding class by 1 cent.

Below are shown the rates from Chicago to stations on the Louisville & Nashville Railroad, Glendale, Tenn., to Pensacola:

Chicago, Ill., to—	1	2	3	4	5	6
Glendale, Tenn.....	109	93	77	63	54	46
Pleasant Grove, Tenn.....	110	93	77	63	54	46
Campbells, Tenn.....	111	96	79	66	57	49
Lynnville, Tenn.....	113	97	80	68	58	50
Bufords, Tenn.....	113	97	80	68	59	51
Riversburg and Wales, Tenn.....	117	101	82	70	60	52
Pulaski, Tenn.....	119	103	83	71	61	53
Aspen Hill, Tenn.....	119	104	84	72	62	54
Prospect, Ala.....	124	107	85	73	63	55
Veto and Elkmont, Ala.....	124	107	85	73	63	53
Athens, Ala.....	124	107	85	73	62	49
Tanner and Harris, Ala.....	124	107	85	70	59	46
Flint, Ala.....	125	108	86	70	59	46
Hartsells, Ala.....	127	109	86	73	62	49
Falkville, Ala.....	127	109	86	74	64	51
Lacon, Ala.....	130	111	87	75	66	53
Cullman, Ala.....	133	113	88	76	69	57
Garden City, Ala.....	136	115	89	77	70	59
Blount Springs, Ala.....	136	115	89	77	69	53
Reids, Ala.....	136	115	89	77	67	53
Warrior, Ala.....	134	116	90	75	65	51
Morris, Ala.....	129	112	90	73	63	49
New Castle, Ala.....	126	109	89	70	60	46
Pelham, Ala.....	129	112	91	73	63	49
Keystone and Siluria, Ala.....	134	116	91	75	65	51
Long View, Ala.....	134	116	92	75	65	51
Calera, Ala.....	135	110	82	72	66	57
Jemison, Ala.....	143	119	92	80	73	59
Thorsby, Ala.....	143	119	92	80	73	61
Clanton, Ala.....	143	119	92	80	72	62
Coopers, Ala.....	145	120	93	81	74	64
Mountain Creek, Ala.....	145	120	93	81	74	65
Deatsville, Ala.....	145	120	93	81	74	62
Elmore, Ala.....	145	120	93	81	73	60
Coosada, Ala.....	145	120	93	81	70	57
McGehees, Ala.....	145	127	102	81	70	57
Tyson, Ala.....	147	122	102	82	75	62
Letohatchee, Ala.....	147	122	102	82	75	64
Calhoun, Ala.....	147	122	102	82	75	66
Fort Deposit to Chapman, Ala., inclusive.....	147	122	102	82	75	68
Georgiana, Ala.....	150	122	102	82	75	63

Chicago, Ill., to—	1	2	3	4	5	6
Garland and Owassa, Ala.....	150	124	102	84	77	70
Evergreen and Castleberry, Ala.....	150	124	102	84	77	70
Kirkland, Ala.....	150	124	102	84	77	68
Brewton, Ala.....	150	124	102	84	76	67
Pollard, Ala.....	150	124	102	84	74	66
Flomaton, Ala.....	150	124	102	84	73	64
Century, Fla.....	145	120	102	81	69	63
Bluff Springs, Fla.....	142	117	99	79	67	60
McDavid, Fla.....	139	115	97	77	65	58
Pine Barren, Fla.....	136	113	95	75	63	56
Molino, Fla.....	133	110	92	73	61	54
Cantonment, Fla.....	125	103	87	69	57	50
Brent, Fla.....	122	100	84	66	54	47
Pensacola, Fla.....	110	90	75	58	47	41

THE DEFENSE.

The defense of the carriers for the maintenance of lower rates from Cairo, Louisville, Cincinnati, St. Louis, and Chicago to New Orleans, Mobile, Pensacola, and Tampa than to intermediate points rests primarily upon the following grounds:

1. (a) The rates to New Orleans from the five points of origin named have been brought about by an active, compelling competition of water carriers operating on the Ohio and Mississippi rivers and serving New Orleans by direct movement from Cincinnati, Louisville, Cairo, and St. Louis. The low rates to New Orleans from these four cities has compelled the establishment of relatively low rates from points north of the Ohio River, and the rates from Chicago are necessarily made with relation to the rates from the river cities through which the traffic moves and with which Chicago competes.

(b) The rates to Mobile have been induced by the competition of water carriers operating on the Ohio and Mississippi rivers, on the Mississippi Sound, and on the Gulf of Mexico. They have been brought to the level of the New Orleans rates by the influence of the water competition, above mentioned, together with the rivalry for trade between Mobile and New Orleans as distributing centers, and as ports through which a large amount of traffic to and from foreign countries is handled.

(c) The rates to Pensacola have been influenced by the water competition on the Ohio and Mississippi rivers and on the Gulf of Mexico. They have been brought to a parity with the Mobile rates from some points and made with relation to the Mobile rates from other points by the rivalry for trade between Mobile and Pensacola as distributing centers and as ports, and by the competition of rival carriers serving these cities, the major interest of one of which is in Pensacola, while that of another is in Mobile.

(d) The rates to Tampa have been induced by the competition of water carriers operating on the Ohio and Mississippi rivers and on the Gulf of Mexico.

- 2. The rates to these ports are subnormal.
- 3. These rates pay more than the additional cost of handling.
- 4. The rates to intermediate points are not unreasonable.

The first steamboat (*The New Orleans*) that operated on the Mississippi River, left Pittsburgh, October 20, 1811, and reached New Orleans early in January, 1812. Not until May, 1815, had any steamboat succeeded in ascending the river as far as the falls of the Ohio at Louisville. By the end of the year 1819, however, 60 steamboats had been built to operate on the Ohio and Mississippi rivers. During the period 1820 to 1830 the most important points in the steamboat trade were Louisville, Ky., Nashville, Tenn., Vicksburg and Natchez, Miss., and New Orleans and Bayou La Fourche, La. Louisville was practically the head of navigation for boats of that day. Such boats as could ascend the falls of the Ohio went on to Pittsburgh. On January 1, 1834, the official list of steamboats in operation on the Ohio and Mississippi rivers numbered 230. Sixty of these were rated over 200 tons; 70 had a capacity between 100 and 200 tons, and 100 had a capacity of less than 100 tons. The great increase in tonnage brought down the river to New Orleans by steamboats during the years 1816 to 1840 is illustrated by the following statement:

Year ending Sept. 30—	Tons.	Value.
1816.....	94,560	\$9,749,253
1820.....	106,706	12,637,079
1830.....	260,900	22,065,518
1840.....	537,400	49,763,826

The above figures do not include freight handled by barges, keel boats, and flatboats which, during this period constituted a proportion of the traffic estimated at approximately 20 per cent. The period from 1840 to 1850 saw a very rapid development of the commerce of the river and in 1850 New Orleans was the third port of the world in point of commerce, being exceeded only by London and Liverpool. The years from 1840 to 1860 may be said to have been the most prosperous years for the commerce of the Mississippi River. During the season ending August 31, 1860, the total commerce on the river reached the enormous value of \$289,565,000. The arrivals of boats at New Orleans that year were 4,002, of which 605 came from the upper Atlantic coast, 180 from the lower Atlantic coast, 12 from Peoria, Ill., 206 from Cincinnati, 172 from Louisville, 8 from Evansville, Ind., 108 from Greenville and Bends, Miss. 110 from Memphis, 526 from Pittsburgh, 4 from Paducah, 472 from St. Louis, 211 from Vicksburg, and the remainder from the various tributaries of the Mississippi River.

During the years from 1861 to 1865 the commerce of the Mississippi River was interrupted by the war. In 1866 the Mississippi Valley

70 I. C. C.

Transportation Company, known as the "Barge line," was organized and started its first tow of barges to New Orleans April 1, 1866. In 1867 there were 4 barge lines with 16 tow boats and 120 barges operating between St. Louis and New Orleans. These were later consolidated under the name of the St. Louis & Mississippi Valley Transportation Company. In order to profitably employ the large number of steamboats in the Mississippi River at the close of the Civil War, the Atlantic & Mississippi Steamship Company was organized with a capital of \$2,240,000. It owned about 20 boats, some of which were the finest then afloat. This company failed after two or three years and was succeeded by the St. Louis & New Orleans Packet Company, which later was organized as the Merchants Southern Line Packet Company. The latter named company was succeeded by the Anchor line, which covered the entire territory from St. Louis to New Orleans and operated for a number of years. During the period 1874 to 1896 this company operated regularly from 12 to 14 steamers. The usual service afforded by it was 2 boats per week between St. Louis and New Orleans, and 3 boats per week between St. Louis and Vicksburg.

The following statement of tonnage moving by water between St. Louis and New Orleans during the period 1874 to 1909 was submitted as testimony and is taken from the annual reports of the Merchants Exchange at St. Louis:

Statement of tonnage moving by water between St. Louis and New Orleans.

Year.	From St. Louis to—		From lower Mississippi Valley points to St. Louis.	Year.	From St. Louis to—		From lower Mississippi Valley points to St. Louis
	Memphis and Vicksburg.	New Orleans.			Memphis and Vicksburg.	New Orleans.	
1874.....	156,770	282,585	160,780	1892.....	77,065	315,605	212,545
1875.....	144,025	199,660	128,020	1893.....	67,845	280,505	216,300
1876.....	133,355	237,415	147,185	1894.....	122,775	158,860	219,195
1877.....	164,935	260,085	149,825	1895.....	103,950	137,205	239,090
1878.....	126,150	292,365	174,180	1896.....	147,460	361,500	345,100
1879.....	133,155	343,485	179,400	1897.....	171,520	234,795	311,540
1880.....	186,640	627,627	223,925	1898.....	114,465	224,970	311,915
1881.....	185,750	544,435	273,110	1899.....	58,125	93,010	238,140
1882.....	185,945	424,260	275,175	1900.....	59,020	128,365	274,445
1883.....	113,235	422,095	202,210	1901.....	64,475	94,018	233,885
1884.....	103,705	335,545	143,495	1902.....	88,250	86,362	248,905
1885.....	97,540	345,310	116,950	1903.....	65,220	81,278	160,085
1886.....	78,110	342,835	173,610	1904.....	43,145	3,175	132,585
1887.....	110,230	425,835	268,735	1905.....	35,080	.....	107,520
1888.....	82,715	325,430	232,915	1906.....	34,905	.....	106,670
1889.....	114,315	518,380	212,375	1907.....	35,550	.....	91,325
1890.....	125,405	418,400	222,075	1908.....	30,285	.....	70,165
1891.....	112,420	331,850	209,095	1909.....	21,140	.....	67,395

Testimony was submitted purporting to show the number of arrivals and departures of boats at St. Louis for the years 1874 to 1909. This statement includes only the boats operating between St. Louis and points south thereof.

Statement of the number of boats operating on the Mississippi River between St. Louis and points south thereof.

Year.	Depart- ures.	Arrivals.	Year.	Depart- ures.	Arrivals.
1874.....	792	752	1892.....	668	647
1875.....	717	671	1893.....	803	802
1876.....	658	661	1894.....	994	1,066
1877.....	779	780	1895.....	963	1,035
1878.....	760	737	1896.....	1,131	1,193
1879.....	872	851	1897.....	840	883
1880.....	1,083	1,056	1898.....	741	763
1881.....	920	916	1899.....	733	729
1882.....	893	912	1900.....	742	719
1883.....	738	762	1901.....	669	665
1884.....	687	687	1902.....	736	745
1885.....	630	655	1903.....	582	564
1886.....	646	663	1904.....	496	462
1887.....	850	843	1905.....	385	392
1888.....	686	667	1906.....	356	366
1889.....	940	926	1907.....	364	350
1890.....	824	816	1908.....	287	309
1891.....	785	768	1909.....	237	246

While these statements show during the years subsequent to 1901 a constantly dwindling river traffic, they show that, for a period prior to that date, this traffic was large and important in amount, and evidently worth fighting for.

Below is shown a chronological statement of the rates on the first six classes from Louisville to New Orleans, 1879 to date:

Date.	1	2	3	4	5	6
Nov. 24, 1879.....	105	75	65	45	35	30
Sept. 28, 1880.....	107	77	67	45	35	30
Nov. 5, 1883.....	100	77	65	45	35	30
Jan. 7, 1884.....	98	77	63	40	35	30
Feb. 1, 1884.....	75	65	55	40	35	30
Aug. 1, 1887.....	90	75	65	50	40	35

These rates, established August 1, 1887, have been continued in effect from that date and are the present rates.

Below is shown a chronological statement of the rates on the first six classes from St. Louis to New Orleans, 1880 to date:

Date.	1	2	3	4	5	6	Date.	1	2	3	4	5	6
Oct. 12, 1880.....	100	80	65	45	40	40	Mar. 17, 1884.....	76	66	56	40	35	30
Nov. 22, 1880.....	100	80	65	55	45	40	June 1, 1885.....	75	65	55	40	35	30
Mar. 28, 1881.....	100	80	65	45	40	35	Aug. 10, 1885.....	70	60	55	38	33	28
Jan. 7, 1884.....	100	80	65	40	40	35	Sept. 1, 1885.....	75	65	55	40	35	30
Feb. 1, 1884.....	75	65	55	40	35	30	Aug. 1, 1887.....	90	75	65	50	40	35

These rates, established August 1, 1887, have continued in effect from that date until the present time.

During the period of active operation of the boat lines the testimony shows a wide variation in the rates charged by the water carriers. The following extract from the testimony taken before the Senate

Committee on Interstate Commerce at a hearing held in St. Louis June 17, 1885, is indicative of the relation of the water rates to rail rates at that time:

EXAMINATION OF MR. H. C. HAARSTICK.

Q. Will you state your position?—A. I am president of the Merchants Exchange and am also president of the St. Louis & Mississippi Valley Transportation Company, or so-called "Barge Company." At present rail rates from here [St. Louis] are exceedingly low. They are lower than they have ever been before for five or six years.

Q. What is usually the difference between the river and rail rates from here [St. Louis] to New Orleans, if there be a difference?—A. The river usually makes the rate. The railroads try to get the difference between the river rates with the insurance added. They make it that much higher. The river carries more than three-fourths of all the business from St. Louis to New Orleans proper.

Q. The river regulates the rail rates, as I understand you, from here [St. Louis] to New Orleans.—A. Yes, sir.

Q. About what would be the rail freight charge?—A. They can not get any more than the difference of insurance between river and rail if they carry any.

Q. About what percentage does that amount to?—A. A very small percentage. The river insurance is about three-fifths of 1 per cent of the value. On a barrel of flour it would be less than 4 cents.

Q. What is the rate on corn by water from here [St. Louis] to New Orleans, at the present time?—A. About 7 cents a hundred; 4 cents per bushel.

Q. What is the rate by rail?—A. The railroads are not carrying corn from here to New Orleans and have not been to my knowledge, and I have been in the river transportation business for 17 years. They claim that they can not compete with us.

Q. Do the different transportation companies have some understanding with each other about how much they shall charge?—A. No, sir; we have no understanding whatever.

Q. What has been the course of the average freight charge during the 17 years you have been in business; has it fallen or has it remained about stationary?—A. No, sir; it has been decreasing. The rate when we first commenced was about 14 or 15 cents a bushel; it has been growing lower and lower.

Q. One of the causes of this reduction is the fact that the mouth of the river has been opened so that vessels can get in and out?—A. That is undoubtedly one of the great factors.

It is evident from the testimony of Mr. Haarstick that the transportation facilities afforded by the boat lines at that time were such as to attract to these lines a very large percentage of the traffic from St. Louis to New Orleans. It is evident from the tonnage statistics relative to the actual movement of freight from St. Louis to New Orleans that this tonnage by water did not materially decrease until about the year 1898, 11 years after the establishment of the present scale of rail rates. At the time this testimony relative to the rates in the Mississippi Valley was taken (June, 1912) there were no regular boat lines in operation from Ohio River points or St. Louis to New Orleans. Regular service of this character had not been furnished for some years. Testimony was introduced showing the then recent organization of a company for the purpose of establishing a barge

How much of this is competitive traffic the record does not show, but the likelihood is strong that a large percentage of the grain and grain products and miscellaneous merchandise is drawn from or through the Ohio River cities, and may be looked upon as competitive traffic. The necessity for the maintenance of a parity of rates on this export traffic is clear.

Mobile, by its position on Mobile Bay, has access to the Alabama River and its tributaries. These rivers by furnishing a highway for transportation have assisted in making Mobile a center for distribution to a large territory in Alabama and Mississippi. Mobile competes with New Orleans for trade through a portion of this territory. The position of Mobile as the southern terminus of the Mobile & Ohio Railroad has induced a fixed policy on the part of the management of that railroad to maintain to Mobile the same rates from the principal western points that are maintained by its competitors to New Orleans. The rates from New York to Mobile, all rail, water and rail, or all water, are 5, 5, 4, 4, 3, and 3 cents, respectively, higher on classes 1 to 6 than the rates to New Orleans. It is urged by petitioners that the low rates maintained to Mobile from the eastern cities necessitate the maintenance of low rates from the Ohio River cities in order that traffic may move to Mobile from these cities in competition with like traffic from New York. It is urged that the rates from the eastern cities to Mobile differ in but a slight degree from the rates on like traffic to New Orleans.

The long-standing equality of rates between New Orleans and Mobile is also urged as a reason for the maintenance of this equality. While the record shows a competitive necessity for the maintenance of comparatively low rates from the Ohio River cities to Mobile, it fails to show the necessity for the maintenance of an actual parity between these rates and the rates to New Orleans. It is evident, however, that the carriers can successfully maintain rates to Mobile but little higher than to New Orleans. It is our opinion that the record herein does not warrant an order in this case that will require a disturbance of this long-standing parity of rates.

(c) Rates to Pensacola, Fla.

Pensacola is on Pensacola Bay, 105 miles from Mobile by rail. It is served by the Louisville & Nashville Railroad system, by the Pensacola, St. Andrews & Gulf Steamship Company, which operates regular steamship service between Mobile and Pensacola and various other points along the Gulf of Mexico, and by various steamship lines furnishing service between Pensacola and foreign ports. It had a population in 1910 of 22,962.

The rates from Chicago, St. Louis, Louisville, and Cincinnati are exactly the same to Pensacola as to Mobile, while the rates from Cairo are—

12 9 7 6 5 4

cents on classes 1 to 6, respectively, higher than the rates to Mobile. The rates from St. Louis, Louisville, and Cincinnati have been on a parity with the rates to Mobile since 1881.

Below is shown a statement of the value of the exports from Pensacola for the year ending June 30, 1911:

Exported from Pensacola.	Value.	Per cent of total.
Cotton.....	\$9,242,934	45.20
Forest products.....	4,977,031	24.34
Grain and grain products.....	2,868	.01
Naval stores.....	4,389,055	21.46
Coal.....	3,237	.02
Coke.....		
Pig iron.....	30,473	.15
Phosphate rock.....	82,849	.41
Miscellaneous merchandise.....	1,720,323	8.41
Total.....	20,448,770	100.00

The record does not show how much of these exports came from competitive territory, but the item shown against Miscellaneous merchandise represents articles which probably came from the Ohio River cities or points north thereof. It is evident that the importance of Pensacola as a port can not be maintained without inland proportions of export and import rates substantially the same as those enjoyed by Mobile and New Orleans.

There are the following points of similarity between the conditions existing at Mobile and Pensacola:

Both are important commercial cities on the Gulf coast of the United States in close proximity to each other.

Both cities can be reached by water from New Orleans and supplied therefrom at substantially the same rates.

Both have fine deep-water harbors.

Both are important Mexican Gulf ports competing with each other for export, import, and coastwise trade.

Both are served by important railroad systems, leading directly from the great western markets of supply, and competing with each other for the transportation of export, import, and coastwise traffic through their respective ports, and for the transportation of domestic traffic to the ports proper, and competing with other roads serving other ports for the transportation of export and import traffic.

Conditions at Pensacola appear to be in nearly all respects fairly comparable to those obtaining at Mobile, and in our opinion the

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from Cairo to Portsmouth, making over a distance of 200 miles, and are then the average time made over the line made by connecting it with miles in this territory, as shown from Exhibit No. 11.

The route from Louisville and in case a New York, Albany and Portsmouth line made over distances varying from 100 to 200 miles and are not less average time made over the line than 200 miles is uncompetitive with the territory as shown from Exhibit No. 12.

The route from Cincinnati to New York, Albany and Portsmouth is made over distances varying from 100 to 200 miles and are not less the average time made over the line than 200 miles is uncompetitive with the territory as shown from Exhibit No. 13.

The route from Chicago to New York, Albany and Portsmouth is made over distances varying from 100 to 200 miles and are not less the average time made over the line than 200 miles is uncompetitive with the territory as shown from Exhibit No. 14.

The route from Louisville and Cincinnati to Tampa are made over distances varying from 100 to 200 miles and are not less the average time made over the line than 200 miles is uncompetitive with the territory as shown from Exhibit No. 15.

It is clear that there were to the route up to show the average time made in the territory is uncompetitive with the territory as shown from Exhibit No. 16. The route from Louisville and Cincinnati to Tampa are made over distances varying from 100 to 200 miles and are not less the average time made over the line than 200 miles is uncompetitive with the territory as shown from Exhibit No. 17.

100 150 200 250 300 350

as in cases of the lines made from Louisville to New York and Portsmouth over distances from 100 to 200 miles is uncompetitive with the territory.

The Louisville to Birmingham and in case a New York, Albany and Portsmouth line made over distances varying from 100 to 200 miles and are not less the average time made over the line than 200 miles is uncompetitive with the territory as shown from Exhibit No. 18.

100 150 200 250 300 350

at least the 100

distance from

Chicago

to New York

is 100 miles

100 150 200 250 300 350

100

150

200

carriers are justified in the maintenance of rates thereto from the Ohio River cities, St. Louis, and Chicago on a parity with the rates concurrently applicable on like traffic to Mobile.

(d) Rates from Louisville and Cincinnati to Tampa.

Tampa is served by the following railroads and steamship lines: Atlantic Coast Line Railroad; Seaboard Air Line Railway; The Tampa Northern Railroad; The Mallory Steamship Company. This company furnishes a weekly service between Tampa, Mobile, Key West, and New York City. The Southern Steamship Company furnishes a weekly service between Tampa and Philadelphia, Charleston, Jacksonville, and Key West. The Penn Steamship line furnishes a weekly service between Tampa and New Orleans.

The rates to Tampa from Louisville and Cincinnati are the same, namely:

145 123 109 102 86 73

The record does not show any through rail-and-water rates from the Ohio River cities via New Orleans, Mobile, New York, or Philadelphia to Tampa, but the testimony is convincing that the rail carriers are in competition with rail and ocean carriers operating via those ports, and that this competition is actual and controlling and operates to prevent any substantial increase in these rates by the rail lines.

2. Are these rates from Chicago, St. Louis, Cairo, Louisville, and Cincinnati to the Gulf ports subnormal?

Below are shown the distances from Cairo, Louisville, Cincinnati, St. Louis, and Chicago to each of the port cities via the routes selected with the rates on the first six classes:

From—	Miles.	1	2	3	4	5	6
Cairo, Ill., to—							
New Orleans.....	556	75	63	55	42	33	29
Mobile.....	502	75	63	55	42	33	29
Pensacola.....	606	87	72	62	48	38	33
Louisville, Ky., to—							
New Orleans.....	809	90	75	65	50	40	35
Mobile.....	670	90	75	65	50	40	35
Pensacola.....	654	90	75	65	50	40	35
Tampa.....	1,198	145	123	109	102	86	73
Cincinnati, Ohio, to—							
New Orleans.....	923	98	83	73	54	44	39
Mobile.....	784	98	83	73	54	44	39
Pensacola.....	768	98	83	73	54	44	39
Tampa.....	1,065	145	123	109	102	86	73
St. Louis, Mo., to—							
New Orleans.....	707	90	75	65	50	40	35
Mobile.....	657	90	75	65	50	40	35
Pensacola.....	761	90	75	65	50	40	35
Chicago, Ill., to—							
New Orleans.....	920	110	90	75	58	47	41
Mobile.....	866	110	90	75	58	47	41
Pensacola.....	912	110	90	75	58	47	41

The rates from Cairo to Mobile and New Orleans, made over distances of 502 and 566 miles, are less than the local distance rates on any of the railways, petitioners herein, for 250 miles. The rates

from Cairo to Pensacola, made over a distance of 501 miles, are less than the average rates made over one-line hauls of 300 miles in this territory, as shown from Exhibit No. 117.

The rates from Louisville and St. Louis to New Orleans, Mobile and Pensacola are made over distances varying from 551 to 601 miles and are less than average rates made over one-line hauls of 300 miles to noncompetitive points in this territory as shown from Exhibit No. 117.

The rates from Cincinnati to New Orleans, Mobile and Pensacola are made over distances varying from 701 to 801 miles and are less than the average rates made to noncompetitive points in this territory over one-line hauls of 300 miles, as shown from Exhibit No. 117.

The rates from Chicago to New Orleans, Mobile and Pensacola are made over distances varying from 901 to 921 miles. These rates are less than the average rates made over one-line hauls of 400 miles to noncompetitive points in this territory as shown by Exhibit No. 117.

The rates made from Louisville and Cincinnati to Tampa are made over two-line hauls of 1,065 to 1,200 miles. They correspond with reasonable approximation to the average rates made to noncompetitive points in southeastern territory over two-line hauls of 750 miles.

It is clear that these rates to the ports are far below the average rates made in this territory to noncompetitive points. None of the interior points in the southeastern territory is more important than the three cities of Atlanta, Birmingham, and Montgomery. The rates to these points are regarded as strongly competitive in character. The distances to Atlanta from both Louisville and Cincinnati are less than 500 miles. The rates from both cities to Atlanta are—

98 87 78 63 52 41

These rates are in excess of the rates made from Cincinnati to New Orleans, Mobile, and Pensacola over distances from 50 to 80 per cent greater than the distance to Atlanta.

The distance from Louisville to Birmingham is 394 miles via the line of the Louisville & Nashville Railroad. The rates from Louisville to Birmingham are—

79 69 58 47 40 30

These rates are higher than the rates made from Cairo to Mobile and New Orleans over a distance from 25 to 40 per cent greater than that from Louisville to Birmingham.

The distance from Cincinnati to Birmingham via the Louisville & Nashville Railroad is 508 miles. The rates are—

89 79 68 55 47 36

These rates made from Cincinnati to Birmingham over a distance of approximately 500 miles are in excess of the rates made from Louisville or St. Louis to New Orleans, Mobile, and Pensacola over distances varying from 654 to 809 miles.

The distance from Louisville to Montgomery via the Louisville & Nashville Railroad is 491 miles. The rates are—

98 87 78 62 50 41

These rates made over a distance of approximately 500 miles exceed the rates from Cincinnati to New Orleans, Mobile, and Pensacola over distances varying from 768 to 923 miles.

The distance from Cincinnati to Montgomery over the Louisville & Nashville Railroad is 605 miles. The rates made thereto are—

108 97 88 70 57 47

These rates are greatly in excess of the rates made from Chicago to New Orleans, Mobile, and Pensacola over distances varying from 866 to 920 miles.

The claim of petitioners that the rates to these port cities from the five points of origin named are subnormal in character is sustained by these comparisons.

3. Do these rates pay more than the additional cost of handling?

The lowest commodity rate shown in the exhibits as applicable from Cairo to New Orleans is the rate on brick of \$2 per ton. This yields a revenue for the haul of 566 miles of 3.5 mills per ton-mile. The lowest commodity rate shown as applicable from St. Louis to New Orleans is the rate on cement of \$2.50 per ton. This yields a revenue of 3.5 mills per ton-mile. The lowest commodity rate shown from Chicago to Mobile is the rate on cement of \$3.50 per ton. This yields a revenue of 4 mills per ton-mile. But few commodity rates were shown in the testimony from Cincinnati to New Orleans; the lowest class rate shown is that applicable on class D of 22 cents per 100 pounds. This yields a revenue of 4.7 mills per ton-mile.

There is good reason for believing that these rates to the Gulf ports are more than sufficient to pay the additional cost of handling, and that the acceptance of this traffic on the part of the carriers yields some net profit.

4. Are the rates to intermediate points unreasonable?

(a) On the route of the Illinois Central Railroad from Cairo to New Orleans the rates to intermediate points north of Jackson, Miss., are discussed in subdivision L of this report. South of Jackson the highest rated points are those beginning with Roseland and ending with La Branch, La. The rates to these stations on the first six classes are—

95 76 63 53 46 41

Roseland is 495 miles from Cairo via the route chosen. The rates made thereto are less than the average rates made to noncompetitive points in this territory over one-line hauls of 300 miles as shown from Exhibit No. 117. The average rates made to noncompetitive points as shown from this exhibit for distances of 500 miles over one-line hauls are—

116 99 83 70 60 51

Cairo to Roseland, 495 miles—

95 76 63 53 46 41

The rates to Roseland are clearly not unreasonable as shown by comparisons with other rates made over like distances in the same territory.

(b) On the route of the Mobile & Ohio Railroad from Cairo to Mobile the rates to intermediate points north of Meridian, Miss., are discussed in subdivision L of this report. South of Meridian the rates reach a maximum at Deer Park, Ala. This point is 458 miles from Cairo and the rates made thereto are—

116 98 84 68 56 48

Average rates made over one-line hauls for distances of 450 miles as shown from Exhibit No. 117 are—

115 98 80 69 59 51

It will be seen that these rates to Deer Park correspond closely to the average rates made for like distances over one-line hauls in this territory. The rates to Deer Park and contiguous points, although ample, do not appear to be unreasonable in and of themselves.

(c) On the route of the Mobile & Ohio and the Louisville & Nashville Railroads from Cairo to Pensacola the line passes through Mobile. The maximum-rate point between Mobile and Pensacola is Atmore, Ala., 547 miles from Cairo. The rates to Atmore are—

115 94 80 69 64 55

These rates may fairly be compared with the average rates made over two-line hauls for distances of 550 miles as shown from Exhibit No. 117. Average rates 550 miles—

128 112 99 83 69 56

It will be seen that these rates are considerably less than the average rates for 550 miles in this territory. There is nothing in this record that indicates that these rates to Atmore are unreasonable.

(d) On the route from Louisville to Mobile via the Louisville & Nashville Railroad the rates to points north of Montgomery, Ala., are discussed in subdivision I of this report. South of Montgomery the maximum rate points are stations Dunham to Brock, Ala., which take approximately blanket rates as follows:

113 92 78 67 62 58

This blanket is about fifty miles wide and the center of the blanket is approximately 600 miles from Louisville. The average rates made over one-line hauls of 600 miles as shown from Exhibit No. 117 are—

118 102 86 74 63 53

The rates to these high-rated points can not be considered as unreasonable when judged by comparison with other rates to non-competitive points in the same territory made over like distances.

(e) On the route from Louisville to New Orleans the route chosen is through Mobile, and the rates to stations east of Mobile have been discussed in the preceding section. Almost midway between Mobile and New Orleans is Gulfport, Miss., a port for export and import traffic on the Gulf of Mexico. The rates made to Gulfport from Louisville are exactly the same as to New Orleans and to Mobile. The similarity of position and transportation conditions of Gulfport, Mobile, and Pensacola justify the maintenance of a parity of rates between those ports. The high-rate points between Mobile and New Orleans are Scranton, Miss., and Dunbar, La. Scranton is approximately halfway between Mobile and Gulfport, and Dunbar is almost exactly midway between Gulfport and New Orleans. The rates and distances to these two points are as follows:

Louisville to—	Miles.	1	2	3	4	5	6
Scranton.....	700	119	100	79	69	58	52
Dunbar.....	770	119	98	79	69	58	52

The rates to both these points are below the average rates made over one-line hauls to noncompetitive points in this territory as shown from Exhibit No. 117. The rates to all the stations between Mobile and New Orleans are made locals or arbitraries over the rates to Mobile, Gulfport, and New Orleans, and there is no reason shown in this record for concluding that the rates to any of these intermediate stations are unreasonable.

(f) On the route of the Louisville & Nashville to Pensacola the route up to Flomaton, Ala., is the same as to Mobile, heretofore discussed. The highest rated intermediate point is Flomaton, 610 miles from Louisville. The rates to Flomaton are—

113 92 78 67 62 56

These rates are considerably below the average rates made for like distances to noncompetitive points, as shown from Exhibit No. 117.

(g) On the route of the Louisville & Nashville and the Seaboard Air Line to Tampa, Fla., the rates to points west of Jacksonville, Fla., have been discussed in subdivision D of this report. South of Jacksonville the highest rated intermediate point is Brandon, Fla.,



11 miles north of Tampa, and 1,188 miles from Louisville. The rates to Brandon are—

173 149 137 124 108 87

The testimony indicates a sparsity of traffic over this line and a necessity for the maintenance of relatively high rates. While these rates are certainly ample, in the absence of complaint concerning their reasonableness, we are of the opinion that these carriers should be authorized to continue the lower rates to Tampa and the present higher rates to intermediate stations.

(A) On the route of the Louisville & Nashville Railroad, Cincinnati to Mobile, the rates to intermediate points north of Montgomery are discussed in subdivision I of this report. South of Montgomery the highest rated points are stations in the vicinity of Flomaton, Ala. Stations Elwy and Brock, Ala., on opposite sides of Flomaton, take the highest rates. The rates to these stations are—

120 98 88 71 66 62

These points are approximately 725 miles from Cincinnati and the rates made thereto are materially less than the average rates made for like distances over one-line hauls to noncompetitive points as shown from Exhibit No. 117.

(i) On the route of the Louisville & Nashville Railroad to New Orleans the line passes through Mobile. The rates to stations intermediate to Mobile have been discussed in the preceding section. West of Mobile the line passes through Gulfport which is accorded the Mobile rates. Between Gulfport and Mobile the maximum rate point occurs at Pascagoula, Miss., 824 miles from Cincinnati. The second maximum rate point occurs at Dunbar, nearly midway between Gulfport and New Orleans, 887 miles from Cincinnati. The rates to Dunbar and Pascagoula are—

127 106 82 73 62 56

The rates applied to both of these stations are materially less than the average rates made for like distances over one-line hauls to noncompetitive points in this territory.

(j) On the route of the Louisville & Nashville Railroad from Cincinnati to Pensacola, Fla., the line up to Flomaton, Ala., is the same as to Mobile, discussed in paragraph (h) above. South of Flomaton no higher rates are charged than are applied at Flomaton and at stations Elwy and Brock, the rates to which were given in paragraph (h).

(k) On the route of the Cincinnati, New Orleans & Texas Pacific, Southern, and Seaboard Air Line, Cincinnati to Tampa, the rates to points north of Jacksonville were discussed in subdivision D of this report. South of Jacksonville the rates from Cincinnati are the same as the rates from Louisville, discussed in paragraph (g) of this subdivision. The rates to intermediate points, although ample, may

not be unreasonable, having consideration for the sparsity of traffic on this line and the length of the haul involved.

(l) On the route of the Illinois Central Railroad, St. Louis to New Orleans, the rates to intermediate points north of Jackson Miss., are discussed in subdivision L of this report. South of Jackson the highest rated points are stations Amite to Manchac, La. Amite is 649 miles from St. Louis, and the rates thereto are—

129 105 87 71 59 52

This is a one-line haul of approximately 650 miles. The average rates shown from Exhibit No. 117 for one-line hauls of 650 miles are—

123 106 89 78 66 56

The rates to Amite compare favorably with the average rates made for like distances in this territory.

(m) On the route of the Mobile & Ohio Railroad, St. Louis to Mobile, the rates to intermediate points north of Meridian, Miss., are discussed in subdivision L of this report. South of Meridian the maximum rate point occurs at Yellow Pine, Ala., 598 miles from St. Louis. The rates made to Yellow Pine are—

126 109 98 78 64 56

The average rates made over one-line hauls for 600 miles, as shown from Exhibit No. 117, are—

118 102 86 74 63 53

The rates from St. Louis to Yellow Pine and stations contiguous thereto are considerably in excess of average rates made for like distances in this territory and are in excess of the rates made to points on the Illinois Central at corresponding distances from St. Louis. We are of the opinion that these rates are unreasonable as compared with the rates to the more distant points, and that the difference should be narrowed by charging rates to the intermediate points that do not exceed the average rates shown for like distances in Exhibit No. 117.

(n) On the route of the Mobile & Ohio and the Louisville & Nashville railroads to Pensacola the route up to Mobile is the same as that discussed in paragraph (m). East of Mobile, on the Louisville & Nashville Railroad, the highest rate point is Canoe, approximately midway between Mobile and Pensacola and 708 miles from St. Louis. The rates to Canoe are—

126 106 93 75 65 58

The rates to Canoe compare favorably with average rates made over like distances for two-line hauls in this territory.

(o) On the route of the Illinois Central Railroad, Chicago to New Orleans, the rates to intermediate stations north of Jackson, Miss., are discussed in subdivision L of this report. South of Jackson

the rates reach a maximum at stations Roseland to Manchac, La. Roseland is 858 miles from Chicago, and the rates thereto are—

140 113 95 78 65 57

These rates are substantially lower than average rates made over one-line hauls of like distances in this territory.

(p) On the route of the Illinois Central and Mobile & Ohio railroads, Chicago to Mobile, the rates to intermediate points north of Meridian, Miss., are discussed in subdivision L of this report. The rates to points south of Meridian reach a maximum at Yellow Pine, Ala., 806 miles from Chicago. The rates to Yellow Pine are—

155 129 108 86 71 62

The rates from Chicago to Yellow Pine compare favorably with average rates made over two-line hauls for like distances in this territory.

(q) On the route of the Chicago & Eastern Illinois and Louisville & Nashville Railroads to Pensacola the maximum rate points occur at stations Garland to Castleberry, Ala., 816 miles from Chicago. The rates to Garland are—

150 124 102 84 77 70

These rates are below the average rates made for two-line hauls over like distances in this territory.

SUBDIVISION F.

RATES FROM OHIO RIVER CROSSINGS, ST. LOUIS, MO., AND CHICAGO, ILL., TO MEMPHIS, TENN., GREENVILLE, VICKSBURG, AND NATCHEZ, MISS.

Cairo, Louisville, and Cincinnati have been selected as representative Ohio River crossings.

1. Cairo to Memphis.

Route: Illinois Central Railroad, 170 miles.

Rates: The rates from Cairo to Memphis are not exceeded at intermediate stations north of Obion, Tenn. This point is 74.5 miles south of Cairo.

Below are shown the rates from Cairo to all stations on the Illinois Central Railroad, Obion to Memphis, inclusive:

Cairo, Ill., to—	1	2	3	4	5	6
Obion, Tenn.....	44	38	32	27	24	21
Trimble, Tenn.....	47	40	34	29	26	23
Newbern, Tenn.....	50	40	36	31	28	25
Dyersburg, Tenn.....	52	44	38	32	29	27
Halls, Tenn.....	54	46	40	34	30	28
Carve, Tenn.....	55	48	41	37	32	31
Ripley, Tenn.....	57	49	41	39	35	33
Atoka, Tenn.....	57	49	41	39	35	32
New Tipton, Tenn.....	57	49	41	39	35	30
Kerrville, Tenn.....	57	49	41	38	33	28
Woodstock, Tenn.....	57	48	41	35	30	25
Memphis, Tenn.....	50	38	35	27	23	19

2. Rates from Cairo to Greenville, Miss.

Route: Illinois Central Railroad, Cairo to Memphis; Yazoo & Mississippi Valley Railroad to Greenville; 320 miles.

Below are shown the rates from Cairo to stations on the Yazoo & Mississippi Valley Railroad, Memphis to Greenville:

Cairo, Ill., to—	1	2	3	4	5	6
Lakeview, Miss.....	80	63	56	46	38	23
Lake Cormorant, Miss.....	86	69	61	49	42	26
Robinsonville, Miss.....	89	72	63	51	44	27
Hollywood, Miss.....	92	74	65	53	46	28
Evansville, Miss.....	98	78	69	56	47	30
Dundee, Miss.....	102	81	71	58	48	32
Lula, Miss.....	102	82	72	59	49	33
Coahoma, Miss.....	100	83	73	57	49	30
Friars Point, Miss.....	75	68	55	42	33	20
Stovall, Miss.....	95	80	69	54	45	28
Sherard, Miss.....	100	83	72	55	48	31
Perthshire, Miss.....	100	83	72	55	48	31
Rosedale, Miss.....	75	63	55	42	33	20
Baulah, Miss.....	100	83	72	55	48	31
Loddell, Miss.....	100	83	72	55	48	31
Winterville, Miss.....	100	83	72	55	48	31
Wilcoxville, Miss.....	95	79	68	53	42	27
Greenville, Miss.....	75	63	55	42	33	20

3. Rates from Cairo to Vicksburg.

Route: Illinois Central Railroad, Cairo to Memphis; Yazoo & Mississippi Valley Railroad to Vicksburg; 390 miles.

By the selected line to Vicksburg the route is the same up to Coahoma, Miss., as upon the route to Greenville.

Below are shown the rates from Cairo to stations on the Yazoo & Mississippi Valley Railroad, Clover Hill to Vicksburg. Clover Hill is 70 miles south of Memphis:

Cairo, Ill., to—	1	2	3	4	5	6
.....	104	84	74	60	48	43
.....	106	85	75	62	50	44
.....	108	86	76	62	50	44
.....	108	87	77	63	52	45
.....	108	88	78	63	52	45
.....	110	89	79	64	53	46
.....	110	90	79	64	53	46
.....	112	92	80	65	54	47
.....	111	91	80	64	52	46
.....	114	93	81	66	54	47
.....	108	91	79	62	50	44
.....	108	87	75	58	47	41
.....	108	87	77	60	49	43
.....	109	91	79	62	51	45
.....	109	91	81	63	52	46
.....	115	96	83	65	53	47
.....	118	96	83	68	56	49
.....	118	97	83	68	57	50
Miss.....	118	97	83	68	56	49
.....	120	97	84	68	56	49
Cory, Miss.....	117	97	84	68	56	48
Kelso, Miss.....	111	94	81	64	52	46
Redwood, Miss.....	100	84	73	57	46	39
Vicksburg, Miss.....	75	63	55	42	33	20

4. Rates from Cairo to Natchez, Miss.

Route: Illinois Central Railroad, Cairo to Memphis; Yazoo & Mississippi Valley Railroad to Natchez; 467 miles.

The route to Natchez passes through Vicksburg, and the rates to stations intermediate to Vicksburg have been given in connection with sections 2 and 3.

Below are shown the rates from Cairo to stations on the Yazoo & Mississippi Valley Railroad between Vicksburg and Natchez:

Cairo, Ill., to—	1	2	3	4	5	6
Yokena, Miss.....	105	88	76	60	48	42
Ingleside, Miss.....	111	94	81	64	52	46
Port Gibson, Miss.....	114	97	83	66	54	47
Russum, Miss.....	120	99	86	70	56	49
Lorman, Miss.....	117	99	85	68	55	48
Harriston, Miss.....	114	97	83	66	54	47
Stampley, Miss.....	108	91	79	62	50	44
Cannonsburg, Miss.....	105	88	76	60	48	42
Natchez, Miss.....	75	63	55	42	33	29

5. Rates from Louisville to Memphis.

Route: Illinois Central Railroad; 391 miles.

Rates: The rates from Louisville to Memphis are not exceeded at stations north of Boaz, Ky., 155 miles northeast of Memphis.

Below are shown the rates from Louisville to stations on the Illinois Central Railroad, Boaz to Memphis:

Louisville, Ky., to—	1	2	3	4	5	6
Boaz, Ky.....	56	48	41	37	28	24
Viola, Ky.....	60	52	43	37	28	24
Pryors, Ky.....	63	55	45	37	28	24
Wingo, Ky.....	66	57	47	37	28	24
Harris, Tenn.....	69	60	50	39	30	25
Moffat, Tenn.....	69	60	50	42	35	31
Obion, Tenn.....	72	63	52	43	36	32
Trimble, Tenn.....	75	65	54	44	36	32
Newbern, Tenn.....	78	67	56	46	37	33
Dyersburg, Tenn.....	80	69	58	47	37	33
Halls, Tenn.....	82	71	60	49	38	34
Curve, Tenn.....	83	73	61	52	40	37
Ripley, Tenn.....	85	74	61	54	43	39
Brighton, Tenn.....	85	74	61	53	43	39
Atoka, Tenn.....	85	70	61	50	43	38
New Tipton, Tenn.....	85	67	60	48	42	36
Karrville, Tenn.....	80	63	57	46	40	34
Woodstock, Tenn.....	77	60	54	43	37	31
Memphis, Tenn.....	65	50	45	35	30	25

6. Rates from Louisville to Greenville.

Route: Illinois Central Railroad, Louisville to Memphis; Yazoo & Mississippi Valley Railroad to Greenville; 541 miles.

Rates: The rates to stations on the Illinois Central Railroad east of Memphis have been shown in section 5.

Below are shown the rates from Louisville to stations on the Yazoo & Mississippi Valley Railroad, Lakeview to Greenville, inclusive:

Louisville, Ky., to—	1	2	3	4	5	6
Lake View, Miss.....	15	75	88	53	45	28
Lake Cormorant, Miss.....	101	81	71	57	49	42
Robinsonville, Miss.....	104	84	73	59	51	43
Hollywood, Miss.....	107	86	75	61	52	44
Tunica, Miss.....	110	88	77	63	53	45
Evansville, Miss.....	113	90	79	64	54	46
Dundee, Miss.....	117	94	82	67	55	48
Lula, Miss.....	117	94	82	67	55	48
Coahoma, Miss.....	115	95	83	65	53	45
Friars Point, Miss.....	90	75	65	50	40	35
Stovall, Miss.....	110	92	79	62	50	44
Sherard, Miss.....	115	95	82	63	53	46
Green Cove, Miss.....	115	95	82	63	55	47
Perthshire, Miss.....	115	95	82	63	53	45
Rosedale, Miss.....	90	75	65	50	40	35
Boulah, Miss.....	115	95	82	63	53	46
Lobdell, Miss.....	115	95	82	63	55	47
Winterville, Miss.....	115	95	82	63	53	46
Wilcoxville, Miss.....	110	91	78	61	49	43
Greenville, Miss.....	90	75	65	50	40	35

7. Rates from Louisville to Vicksburg.

Route: Illinois Central Railroad, Louisville to Memphis; Yazoo & Mississippi Valley Railroad to Vicksburg; 611 miles.

Rates: The rates to intermediate stations north of Coahoma, Miss., have been shown in connection with the routes to Memphis and Greenville.

The rates from Louisville to stations on the Yazoo & Mississippi Valley Railroad south of Coahoma are shown below:

Louisville, Ky., to—	1	2	3	4	5	6
.....	119	96	84	68	55	48
.....	121	97	85	70	57	50
.....	121	98	86	70	57	50
.....	123	99	87	71	59	51
.....	123	100	88	71	59	51
.....	125	101	89	72	60	53
.....	125	102	89	72	60	53
.....	127	104	90	73	61	53
.....	126	104	90	72	61	53
.....	129	105	91	74	61	53
.....	123	103	89	70	57	50
.....	118	99	85	66	54	47
.....	118	99	87	68	55	48
.....	124	103	89	70	56	51
.....	124	103	91	71	56	51
.....	130	108	93	73	60	53
.....	123	106	92	76	63	55
.....	123	109	93	76	64	56
.....	123	109	93	76	63	55
.....	125	109	94	76	63	55
.....	123	109	94	76	63	54
.....	126	108	91	72	59	52
.....	115	98	83	65	53	46
.....	90	75	65	50	40	35

8. Rates from Louisville to Natchez, Miss.

Route: Illinois Central Railroad, Louisville to Memphis, Tenn.; Yazoo & Mississippi Valley Railroad to Natchez; 688 miles.

The route from Louisville to Natchez passes through Vicksburg. The rates to stations north of Vicksburg have been shown in connection with section 7.

The rates from Louisville to stations on the Yazoo & Mississippi Valley Railroad south of Vicksburg are shown below:

Louisville, Ky., to—	1	2	3	4	5	6
Yokena, Miss.....	120	100	86	68	55	48
Ingle side, Miss.....	126	106	91	72	59	52
Port Gibson, Miss.....	129	109	93	74	51	53
Russum, Miss.....	135	111	96	78	63	55
Lorman, Miss.....	132	111	95	76	62	54
Harriston, Miss.....	129	109	93	74	61	53
Stamplay, Miss.....	123	103	89	70	57	50
Cannonsburg, Miss.....	120	100	86	68	55	48
Natchez, Miss.....	90	75	65	50	40	35

9. Rates from St. Louis to Memphis.

Route: Illinois Central Railroad; 322 miles.

Rates: The rates from St. Louis to intermediate stations north of Clinton, Ky., do not exceed the rates to Memphis.

The rates to stations on the Illinois Central Railroad south of Clinton are as follows:

St. Louis, Mo., to—	1	2	3	4	5	6
Clinton, Ky.....	60	53	43	34	25	23
Crutchfield, Ky.....	63	55	45	36	27	23
Fulton, Ky.....	66	57	47	37	28	24
Pierce, Tenn.....	69	60	50	42	35	30
Gibbs, Tenn.....	69	60	50	42	35	30
Moffatt, Tenn.....	69	60	50	42	35	30
Obion, Tenn.....	72	63	52	43	36	32
Trimble, Tenn.....	75	65	54	44	36	32
Templeton, Tenn.....	78	69	56	46	37	33
Newbern, Tenn.....	78	67	56	46	37	33
Dyersburg, Tenn.....	80	69	58	47	37	33
South Fork, Tenn.....	82	71	60	49	38	34
Curve, Tenn.....	83	73	61	52	40	37
Flippin, Tenn.....	85	74	61	54	42	38
Ripley, Tenn.....	85	74	61	54	43	39
Brighton, Tenn.....	85	74	61	53	43	39
Atoka, Tenn.....	85	70	61	50	43	38
New Tipton, Tenn.....	85	67	60	48	42	36
Kerrville, Tenn.....	80	63	57	46	40	34
Woodstock, Tenn.....	77	60	54	43	37	31
Memphis, Tenn.....	65	50	45	35	30	25

10. Rates from St. Louis to Greenville, Miss.

Route: Illinois Central Railroad, St. Louis to Memphis; Yazoo & Mississippi Valley Railroad, Memphis to Greenville; 472 miles.

Rates: The rates from St. Louis to intermediate stations on the Yazoo & Mississippi Valley Railroad south of Memphis are the same as from Louisville, shown in section 6 of this subdivision.

11. Rates from St. Louis to Vicksburg.

Route: Illinois Central Railroad, St. Louis to Memphis; Yazoo & Mississippi Valley Railroad to Vicksburg; 542 miles.

Rates: The rates to stations on the Yazoo & Mississippi Valley Railroad south of Memphis are the same from St. Louis as from Louisville, shown in section 7.

12. Rates from St. Louis to Natchez.

Route: Illinois Central Railroad, St. Louis to Memphis; Yazoo & Mississippi Valley Railroad to Natchez; 619 miles.

Rates: The rates to stations on the Yazoo & Mississippi Valley Railroad south of Vicksburg are the same as from Louisville, shown in section 8 of this subdivision.

13. Rates from Chicago to Memphis.

Route: Illinois Central Railroad; 534 miles.

Rates: The rates to intermediate stations on the Illinois Central Railroad north of Crutchfield, Ky., do not exceed the rates to Memphis.

Below are shown the rates from Chicago to stations on the Illinois Central Railroad, Crutchfield to Memphis, inclusive:

Chicago, Ill., to—	1	2	3	4	5	6
.....	80	66	53	43	34	29
.....	83	68	55	44	35	30
.....	85	71	58	46	37	31
.....	86	72	61	48	39	33
.....	88	74	63	50	41	35
.....	89	75	64	51	42	36
.....	92	78	67	54	45	39
.....	95	81	70	57	48	42
.....	97	83	72	59	50	44
.....	99	85	74	61	52	46
.....	100	86	75	62	53	47
.....	102	88	77	64	55	49
.....	102	88	77	64	55	49
.....	102	88	77	64	55	49
.....	102	88	77	64	55	49
.....	102	88	77	64	55	49
.....	100	86	75	62	53	47
.....	97	83	72	59	50	44
.....	86	72	61	48	39	33

14. Rates from Chicago to Greenville, Miss.

Route: Illinois Central Railroad, Chicago to Memphis; Yazoo & Mississippi Valley Railroad to Greenville; 684 miles.

Rates: The rates to stations on the Illinois Central Railroad north of Memphis have been shown in the preceding section.

Below are shown the rates from Chicago to stations on the Yazoo & Mississippi Valley Railroad, Memphis to Greenville:

Chicago, Ill., to—	1	2	3	4	5	6
Lakeview, Miss.....	115	90	76	61	52	44
Lake Cormorant, Miss.....	121	96	81	65	56	48
Robinsonville, Miss.....	124	99	83	67	58	49
Hollywood, Miss.....	127	101	85	69	59	50
Tunica, Miss.....	120	103	87	71	60	51
Evansville, Miss.....	133	105	89	72	61	52
Dundee, Miss.....	137	108	91	74	62	54
Lula, Miss.....	137	109	92	75	62	54
Coahoma, Miss.....	135	110	93	72	60	52
Friars Point, Miss.....	110	90	75	58	47	41
Stovall, Miss.....	130	107	89	70	57	50
Sherard, Miss.....	135	110	92	71	60	52
Green Grove, Miss.....	135	110	92	71	62	53
Perthshire, Miss.....	135	110	92	71	60	52
Rosedale, Miss.....	110	90	75	58	47	41
Boulah, Miss.....	135	110	92	71	60	52
Loddell, Miss.....	135	110	92	71	62	53
Winterville, Miss.....	135	110	92	71	60	52
Wilcoxski, Miss.....	130	106	88	69	56	49
Greenville, Miss.....	110	90	75	58	47	41

15. Rates from Chicago to Vicksburg.

Route: Illinois Central Railroad, Chicago to Memphis; Yazoo & Mississippi Valley Railroad to Vicksburg; 754 miles.

Rates: The rates to Coahoma, Miss., and points north thereof have been shown in connection with the rates to Greenville, Miss.

Below are shown the rates from Chicago to stations on the Yazoo & Mississippi Valley Railroad, Clover Hill, Miss., to Vicksburg, inclusive:

Chicago, Ill., to—	1	2	3	4	5	6
Clover Hill, Miss.....	139	111	94	76	62	54
Lyon, Miss.....	141	112	95	78	64	56
Clarksdale, Miss.....	141	113	96	78	64	56
Bobo, Miss.....	143	114	97	79	66	57
Alligator, Miss.....	143	115	98	79	66	57
Duncan, Miss.....	145	116	99	80	67	58
Shelby, Miss.....	145	117	99	80	67	58
Cleveland, Miss.....	147	119	100	81	68	59
Boyle, Miss.....	146	119	100	80	66	58
Shaw, Miss.....	149	120	101	82	68	59
Helm, Miss.....	143	118	99	78	64	56
Elizabeth, Miss.....	140	114	95	74	61	53
Arcola, Miss.....	143	116	97	76	63	55
Estill, Miss.....	144	119	99	78	65	57
Hollandale, Miss.....	149	121	101	79	66	58
Percy, Miss.....	152	123	103	81	67	59
Nitta Yuma, Miss.....	153	123	103	84	70	61
Anguilla, Miss.....	153	124	103	84	71	62
Riverside Junction, Miss.....	153	124	103	84	70	61
Egremont, Miss.....	155	124	104	84	70	61
Cary, Miss.....	152	124	104	84	69	60
Kelso, Miss.....	146	121	101	80	66	58
Redwood, Miss.....	135	111	93	73	60	52
Vicksburg, Miss.....	100	90	75	58	47	41

16. Rates from Chicago to Natchez.

Route: Illinois Central Railroad, Chicago to Memphis; Yazoo & Mississippi Valley Railroad to Natchez; 831 miles.

30 I. C. O.

Rates: The rates to Vicksburg and points north thereof have been shown in connection with the rates to Vicksburg.

Below are shown the rates from Chicago to stations on the Yazoo & Mississippi Valley Railroad between Vicksburg and Natchez:

Chicago, Ill., to—	1	2	3	4	5	6
Yokona, Miss.....	140	115	95	75	52	54
Inglewale, Miss.....	148	121	101	79	56	58
Port Osbeon, Miss.....	149	124	103	82	58	60
Russum, Miss.....	155	126	105	84	70	62
Lorman, Miss.....	152	128	105	84	69	66
Harriston, Miss.....	140	124	103	82	66	59
Stampley, Miss.....	143	111	99	78	54	59
Cannonaburg, Miss.....	140	115	98	76	53	54
Natchez, Miss.....	110	90	78	58	47	41

17. Rates from Cincinnati to Memphis.

Route: Louisville & Nashville Railroad, 494 miles.

Rates: The rates to points north of Upton, Ky., do not exceed the rates to Memphis.

Below are shown the rates from Cincinnati to all stations on the Louisville & Nashville Railroad, Upton, Ky., to Memphis:

Cincinnati, Ohio, to—	1	2				
.....	62	64	47	38	34	21
.....	66	57	50	42	36	20
.....	68	59	51	43	37	24
.....	70	61	53	44	38	25
.....	72	62	54	45	39	26
.....	74	64	56	46	40	27
.....	74	64	55	47	41	28
.....	76	65	56	48	41	28
.....	76	65	56	49	41	28
.....	78	67	57	49	41	28
.....	78	67	59	49	41	28
.....	78	67	58	52	40	28
.....	78	67	59	49	41	28
.....	78	67	58	49	41	28
.....	78	68	56	46	39	28
.....	76	67	56	46	39	28
.....	73	65	54	44	37	26
.....	68	61	51	42	35	24
.....	66	58	48	39	32	21
.....	53	48	39	31	25	26
.....	68	61	51	42	35	24
.....	76	68	55	46	39	28
.....	79	68	59	49	41	40
.....	79	68	60	52	45	44
.....	81	70	61	54	48	46
.....	83	72	63	56	48	48
.....	83	72	63	54	48	46
.....	82	71	58	46	36	30
.....	82	72	63	56	46	39
.....	82	71	58	46	36	30
.....	89	77	66	60	50	43
.....	91	79	66	61	52	45
.....	91	78	65	58	50	44
.....	93	80	66	61	53	47
.....	91	78	65	58	50	44
.....	98	80	66	61	53	47
.....	93	80	66	61	55	49
.....	93	80	66	61	56	50
.....	93	80	66	61	55	49
.....	93	80	66	59	53	47
.....	93	80	66	57	51	45
.....	93	80	66	56	49	43
.....	93	77	66	53	47	41
.....	90	73	66	51	45	39
.....	87	70	64	48	42	36
.....	76	60	55	40	35	29

18. Rates from Cincinnati to Greenville.

Route: Louisville & Nashville Railroad, Cincinnati to Memphis; Yazoo & Mississippi Valley Railroad to Greenville; 644 miles.

Rates: The rates from Cincinnati to intermediate points on this route north of Memphis have been shown in the preceding section.

Below are shown the rates from Cincinnati to stations on the Yazoo & Mississippi Valley Railroad, Lakeview to Greenville, inclusive:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Lakeview, Miss.....	105	85	76	58	50	43
Lake Cormorant, Miss.....	111	91	81	62	54	47
Robinsonville, Miss.....	114	94	83	64	56	48
Hollywood, Miss.....	117	96	85	66	57	49
Tunica, Miss.....	120	98	87	68	58	50
Evansville, Miss.....	123	100	89	69	59	51
Dundee, Miss.....	125	103	91	71	59	52
Lula, Miss.....	125	104	92	71	59	52
Coahoma, Miss.....	123	104	91	69	57	50
Friars Point, Miss.....	98	83	73	54	44	39
Stovall, Miss.....	118	100	87	66	54	48
Sherard, Miss.....	123	104	91	68	54	48
Green Grove, Miss.....	125	105	92	68	59	50
Hillhouse, Miss.....	125	105	92	68	60	52
Deason, Miss.....	125	105	92	68	59	52
Perthshire, Miss.....	123	104	91	68	57	50
Rosedale, Miss.....	98	83	73	54	44	39
Beulah, Miss.....	123	104	91	68	57	50
Lobdell, Miss.....	125	105	92	68	59	52
Benoit, Miss.....	125	105	92	68	60	52
Scott, Miss.....	125	105	92	68	59	52
Winterville, Miss.....	123	104	91	68	57	50
Wilczinski, Miss.....	118	99	86	65	53	47
Greenville, Miss.....	98	83	73	54	44	39

19. Rates from Cincinnati to Vicksburg.

Route: Louisville & Nashville Railroad, Cincinnati to Memphis; Yazoo & Mississippi Valley Railroad to Vicksburg; 714 miles.

Rates: The rates from Cincinnati to intermediate stations north of Coahoma are given in connection with the rates to Greenville.

Below are shown the rates from Cincinnati to stations on the Yazoo & Mississippi Valley Railroad Coahoma to Vicksburg, inclusive:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Coahoma, Miss.....	123	104	91	69	57	50
Clover Hill, Miss.....	128	106	94	72	59	52
Lyon, Miss.....	131	107	95	74	61	54
Clarksdale, Miss.....	131	108	96	74	61	54
Bobo, Miss.....	133	109	97	76	64	56
Alligator, Miss.....	133	110	98	76	64	56
Duncan, Miss.....	135	111	99	77	65	57
Shelby, Miss.....	135	112	99	77	65	57
Cleveland, Miss.....	137	114	100	78	65	57
Boyle, Miss.....	134	114	99	76	63	56
Shaw, Miss.....	137	115	101	78	65	57
Helm, Miss.....	131	111	97	74	61	54
Elizabeth, Miss.....	128	107	93	70	58	51
Leland, Miss.....	126	107	93	70	58	51
Arcola, Miss.....	126	107	95	72	60	52
Estill, Miss.....	132	111	97	74	62	55
Hollandale, Miss.....	132	111	99	75	63	55
Percy, Miss.....	138	117	101	77	64	57
Nitta Yuma, Miss.....	143	118	103	81	67	59
Anguilla, Miss.....	143	119	103	81	68	60
Riverside Junction, Miss.....	143	119	103	81	67	59
Egremont, Miss.....	143	119	103	81	67	59
Cary, Miss.....	140	119	103	80	66	58
Kabo, Miss.....	134	114	99	76	63	56
Redwood, Miss.....	123	104	91	69	57	50
Vicksburg, Miss.....	98	83	73	54	44	39

20. Rates from Cincinnati to Natchez.

Route: Louisville & Nashville Railroad, Cincinnati to Memphis; Yazoo & Mississippi Valley Railroad to Natchez; 791 miles.

Rates: The rates from Cincinnati to Vicksburg and stations north thereof are shown in connection with the rates to Vicksburg.

Below are shown the rates from Cincinnati to stations on the Yazoo & Mississippi Valley Railroad south of Vicksburg to and including Natchez:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Yokena, Miss.....	128	108	94	72	59	52
Ingleside, Miss.....	134	114	99	76	63	56
Port Gibson, Miss.....	137	117	101	78	65	57
Russum, Miss.....	143	121	105	82	67	59
Lorman, Miss.....	140	119	103	80	66	58
Harriston, Miss.....	137	117	101	78	65	57
Fayette, Miss.....	137	117	101	78	65	57
Stampley, Miss.....	131	111	97	74	61	54
Cannonsburg, Miss.....	128	108	94	72	59	52
Natchez, Miss.....	98	83	73	54	44	39

THE DEFENSE.

The defense relied upon by the carriers as justification for the maintenance of lower rates from Cincinnati, Louisville, Cairo, St. Louis, and Chicago to the Mississippi River crossings, Memphis, Greenville, Vicksburg, and Natchez, than to intermediate points rests primarily upon the following grounds:

1. The rates from the Ohio River cities and St. Louis to the four Mississippi River crossings named are necessitated by water competition, active or potential, on the Ohio and Mississippi rivers. The rates from Chicago are made with relation to the rates from the Ohio River cities and St. Louis, and are influenced by the same competition that controls the rates from the Ohio River cities.

2. That these rates to the Mississippi River crossings are subnormal.

3. That they pay more than the additional cost of handling.

4. That the rates to the intermediate points are not unreasonable.

The rates from the five points of origin named to Greenville, Vicksburg, and Natchez are the same as to New Orleans. The water competition, active or potential, that has necessitated the rates to New Orleans has been effective in preventing the maintenance of higher rates to the Mississippi River points above named. The testimony shows that there is some active water competition between Memphis and the Ohio River crossings and St. Louis. The Lee line furnishes a regular service twice a week between Cairo, St. Louis, and Memphis, and a service twice a month between Cincinnati and

Louisville, and Memphis. The rates applied by the water lines and by the rail lines from Louisville to Memphis are as shown below:

Class.....	1	2	3	4	5	A	B	C	D	E
Rail.....	65	50	45	35	30	15	26	15	12	20
Water....	53	41	38	30	24	23	20	15	12	10

The record does not show the rates charged by the water lines on traffic from Cairo or St. Louis to Memphis. It does show, however, a very considerable tonnage moving to Memphis by water from St. Louis and Ohio River cities through all the years from 1879 to 1911. The class rates now in effect from Louisville and St. Louis to Memphis have been in effect since 1887. It is evident that these rates are not so low as to have prevented an active competition by water for this traffic through most of the years subsequent to 1887. Upon the whole record we are of the opinion that the rates from the five points of origin named to these Mississippi River crossings have been necessitated and are now necessitated by the competition afforded via the Mississippi River.

2. Are these rates subnormal?

Three of the most important interior competitive points in the entire territory bounded on the north by the Ohio River and on the west by the Mississippi River are Atlanta, Birmingham, and Montgomery.

Below are shown the rates and distances from Cincinnati and Louisville to each of these points:

From—	Miles.	1	2	3	4	5	6
Cincinnati, Ohio, to—							
Atlanta, Ga.....	475	98	87	78	63	52	41
Birmingham, Ala.....	508	89	79	68	55	47	36
Montgomery, Ala.....	605	108	97	88	70	57	47
Louisville, Ky., to—							
Atlanta, Ga.....	451	98	87	78	63	52	41
Birmingham, Ala.....	394	79	69	58	47	40	30
Montgomery Ala.....	491	98	87	78	62	50	41

The rates from Louisville to Birmingham, made over a distance of 394 miles, are considerably in excess of the rates from Cairo to Greenville, Vicksburg, and Natchez, made over distances varying from 320 to 467 miles. The rates made from Cincinnati to Birmingham, over a distance of 508 miles, are considerably in excess of the rates made from Louisville and St. Louis to Greenville, Vicksburg, and Natchez, made over distances of from 472 to 628 miles. The rates made from Cincinnati to Montgomery, over a distance of 605 miles, exceed the rates made from Chicago to Greenville, Vicks-

burg, and Natchez, over distances from 684 to 831 miles. The rates made from Cincinnati to Atlanta, over a distance of 475 miles, exceed the rates made from Cincinnati to Greenville, Vicksburg, and Natchez, made over distances varying from 644 to 791 miles. The claim that these rates to the Mississippi River crossings are subnormal in character is fully sustained by the record.

3. Do these rates pay more than the additional cost of handling?

Of all the commodity rates shown from any of the points of origin here named to these Mississippi River crossings there is none that pays less than a revenue of 3 mills per ton-mile and very few that pay less than a revenue of 4 mills per ton-mile. There can be no doubt that these rates pay more than the additional cost of handling.

4. Are the rates to intermediate stations unreasonable?

Below are shown the rates from the five points of origin named to Ripley, Tenn., Lula, Anguilla, and Russum, Miss.

From—	Miles.	1	2	3	4	5	6
.....	118	57	49	41	39	35	23
.....	236	102	82	72	59	49	42
.....	341	118	97	83	68	57	50
.....	427	120	99	86	70	56	49
.....	338	85	74	61	54	43	39
.....	269						
.....	446	117	94	82	67	55	48
.....	377						
.....	561	133	109	93	76	64	56
.....	492						
.....	647	135	111	96	78	63	55
.....	578						
.....	482	102	85	69	63	50	45
.....	500	137	109	92	75	62	54
.....	705	153	124	103	84	70	61
.....	791	155	126	106	86	70	61
.....	447	93	80	66	51	55	53
.....	550	125	104	92	71	59	52
.....	665	142	119	103	81	68	59
.....	751	142	121	106	82	67	59

The rates made over the Illinois Central Railroad from Cairo, Chicago, Louisville, and St. Louis to Ripley, Tenn., do not appear to be unreasonable as compared with other rates made over like distances in this territory. The rates made over the Louisville & Nashville Railroad, Cincinnati to Keeling, Tenn., do not appear to be unreasonable.

The rates made from Cairo, Louisville, St. Louis, and Chicago to the maximum rated points on the Yazoo & Mississippi Valley Railroad intermediate to Greenville, Vicksburg, and Natchez are made over the lines of the Illinois Central Railroad and the Yazoo & Mississippi Valley Railroad. These rates usually, but not invariably, are made by adding the rate up to Memphis to the local rate from Memphis to destination, as the following examples will show:

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	1	2	3	4	5	6
Cairo to Memphis.....	50	38	35	27	23	19
Memphis to Lula.....	52	44	37	32	26	23
Combination.....	102	82	72	59	49	42
Through rates, Cairo to Lula.....	102	82	72	59	48	42
Louisville to Memphis.....	65	50	45	35	30	25
Memphis to Angulla.....	68	59	48	41	34	31
Combination.....	133	109	93	76	64	56
Through rates, Louisville to Angulla.....	133	109	93	76	64	56
Chicago to Memphis.....	85	65	55	43	37	31
Memphis to Russum.....	72	61	51	43	36	32
Combination.....	157	126	106	86	73	63
Through rates, Chicago to Russum.....	155	126	106	86	70	61

Whatever may be said in justification of this scheme of rate making to noncompetitive points is without force when circumstances are as found here. These two railways are under a common ownership and management, and for rate-making purposes should be considered as one line. The rates to these maximum-rated points should be able to bear reasonable comparisons with other rates made over one-line hauls for like distances in this southeastern territory. In stating that these two railways for rate-making purposes should be treated as one line, we do not mean to assert that the mileage scale applied by the Illinois Central Railroad over its own line should be applied over hauls part of which are over the Illinois Central and part of which are over the Yazoo & Mississippi Valley Railroad. The operating and traffic conditions over the Yazoo & Mississippi Valley Railroad may be far less favorable than over the Illinois Central. What we do assert in connection with these rates is that they should not exceed the rates made over one-line hauls under the circumstances here existing.

These rates to points on the Yazoo & Mississippi Valley Railroad, particularly on the first three classes, are considerably in excess of the average rates made over one-line hauls for like distances, as shown from Exhibit No. 117. We are of the opinion that these rates from Cairo, St. Louis, Louisville, and Chicago to intermediate points on the Yazoo & Mississippi Valley Railroad are unreasonable as compared to the rates to the more distant points, and that so long as lower rates are maintained to more distant points on or via the same line these rates to intermediate points should not exceed the average rates over one-line hauls for like distances, as shown from the above-named exhibit.

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The rates from Cincinnati to these three high-rated points are made over a two-line haul and do not materially exceed the average rates over two-line hauls for like distances, as shown from Exhibit No. 117.

We have held that the rates from the five points of origin named to the four Mississippi River crossings herein considered have been brought about and are necessitated by the actual or potential competition existing at these points; that they are subnormal but pay more than the additional cost of handling. These petitioners should be authorized to continue lower rates to these river points and higher rates to intermediate points, provided the rates to intermediate points on the routes from Louisville, St. Louis, Cairo, and Chicago that now exceed the rates made over one-line hauls for like distances, as shown from Exhibit No. 117, be corrected in such manner as not to exceed such average rates.

SUBDIVISION G.

RATES FROM NEW YORK CITY TO POINTS ON NAVIGABLE RIVERS.

New York has been selected as representative of the eastern cities. Augusta on the Savannah River, Memphis on the Mississippi River, Macon, Milledgeville, Hawkinsville, and Dublin on the Oconee and Ocmulgee rivers, Columbus and Eufaula on the Chattahoochee River, Albany on the Flint River, Montgomery and Selma on the Alabama River, and Tuscaloosa and Demopolis on the Tombigbee River have been selected as representative southern points located on navigable streams. In stating the rates from New York City to these points and to intermediate stations the water-and-rail rates have been selected in describing the routes to Augusta on the Savannah River, points on the Oconee and Ocmulgee rivers, points on the Chattahoochee and Flint rivers, and to points on the Alabama and Tombigbee rivers. The all-rail rates to these points and to nearly all of the intermediate stations may be found by adding to the water and rail rates on the first six classes the following differentials:

12 10 9 8 6 5

To Memphis and to intermediate stations on the route selected the water-and-rail rates and the all-rail rates are the same.

1. Rates from New York City to Augusta, Ga.

Route: Ocean Steamship Company of Savannah to Savannah; Central of Georgia Railroad, Savannah to Augusta; constructive mileage, 382.

The constructive mileage named herein is obtained by adding the rail mileage from the port to the point of destination to 250.

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Rates: The rates made to Augusta are not carried at intermediate stations east of Pinckney, Ga.

Below are shown the rates from New York to stations on the Central of Georgia Railway. Pinckney to Augusta inclusive:

New York, N. Y., to—	1	2	3	4	5	6
Pinckney, Ga.	125	125	125	125	125	125
Guyton, Ga.	125	125	125	125	125	125
Tusculum, Ga.	125	125	125	125	125	125
Egypt, Ga.	125	125	125	125	125	125
Oliver, Ga.	125	125	125	125	125	125
Holystead, Ga.	125	125	125	125	125	125
Ogeechee, Ga.	125	125	125	125	125	125
Rocky Ford, Ga.	125	125	125	125	125	125
Scarboro, Ga.	125	125	125	125	125	125
Miller, Ga.	125	125	125	125	125	125
Perkins, Ga.	125	125	125	125	125	125
Minerlynn, Ga.	125	125	125	125	125	125
Waynesboro, Ga.	125	125	125	125	125	125
Greens Cut, Ga.	125	125	125	125	125	125
McBenn, Ga.	125	125	125	125	125	125
Allen, Ga.	125	125	125	125	125	125
Augusta, Ga.	125	125	125	125	125	125

2. Rates from New York to Memphis, Tenn.
Route: Pennsylvania Railroad to Potomac Yards, Va.; Southern Railway, Potomac yards to Lynchburg, Va.; Norfolk & Western Railway, Lynchburg to Bristol, Tenn.; Southern Railway, Bristol to Memphis; 1,160 miles.

Below are shown the rates to all stations on the Southern Railway, Bristol to Memphis, inclusive:

New York, N. Y., to—	1	2	3	4	5	6
Bristol, Tenn.	110	88	88	88	88	88
Johnson City, Tenn.	100	88	88	88	88	88
Jonesboro, Tenn.	110	88	88	88	88	88
Washington College, Tenn.	110	88	88	88	88	88
Afton, Tenn.	110	88	88	88	88	88
Mosheim, Tenn.	110	88	88	88	88	88
Mohawk, Tenn.	110	88	88	88	88	88
Russellville, Tenn.	110	88	88	88	88	88
Morristown, Tenn.	110	88	88	88	88	88
Knoxville, Tenn.	100	88	88	88	88	88
Bearden, Tenn.	110	88	88	88	88	88
Concord, Tenn.	123	88	88	88	88	88
Lenoir City, Tenn.	123	88	88	88	88	88
Philadelphia, Tenn.	123	88	88	88	88	88
Cleveland, Tenn.	103	88	88	88	88	88
Tucker Spring, Tenn.	123	88	88	88	88	88
Chattanooga, Tenn.	103	88	88	88	88	88
Fackler, Ala.	116	88	88	88	88	88
Barton, Ala.	133	88	88	88	88	88
Pocahontas, Tenn.	141	88	88	88	88	88
Middleton, Tenn.	141	88	88	88	88	88
Grand Junction, Tenn.	141	88	88	88	88	88
Moscow, Tenn.	136	88	88	88	88	88
Germantown, Tenn.	124	88	88	88	88	88
Memphis, Tenn.	100	88	88	88	88	88

3. Rates from New York to Macon, Milledgeville, Hawkinsville, and Dublin, Ga.
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Route: Ocean Steamship Company of Savannah to Savannah; Central of Georgia Railway, Savannah to Macon; constructive mileage, 441; Central of Georgia Railway, Savannah to Dublin; constructive mileage, 393; Central of Georgia Railway, Savannah to Milledgeville; constructive mileage, 438; Central of Georgia Railway, Savannah to Dublin, Wrightsville, and Tennille; Dublin to Hawkinsville; constructive mileage, 434.

Rates: On the route, Savannah to Macon, the rates from New York to intermediate stations, Savannah to Millen, have been shown in connection with the route to Augusta.

Below are shown the rates to intermediate stations on the Central of Georgia Railway, Millen to Macon:

New York, N. Y., to—	1	2	3	4	5	6
Rogers, Ga.....	121	104	86	70	58	45
Midville, Ga.....	122	104	89	72	59	47
Wadley, Ga.....	122	104	91	73	58	48
Bartow, Ga.....	122	104	91	74	60	48
Sun Hill, Ga.....	122	104	91	75	60	49
Tennille, Ga.....	122	104	91	75	60	48
Oconee, Ga.....	122	109	97	78	65	53
Toombsboro to Gordon, Ga., inclusive.....	122	109	97	79	66	53
Macon, Ga.....	102	91	81	66	55	43

The rates shown to Macon are the rates to Milledgeville, Hawkinsville, and Dublin. The rates shown to intermediate stations are representative of the rates to stations intermediate to the other three towns, and it is unnecessary for the purposes of this report to show the actual rates to all of these stations.

4. Rates from New York to Columbus and Albany, Ga., and Eufaula, Ala.

Route: Ocean Steamship Company of Savannah, New York to Savannah; Central of Georgia Railway, Savannah to Columbus; constructive mileage, 541; Atlantic Coast Line, Savannah to Albany; constructive mileage, 458; Central of Georgia Railway, Savannah to Eufaula; constructive mileage, 585.

Rates: The rates to stations east of Macon have been shown in section 3.

Below are shown the rates to all stations on the Central of Georgia Railway, Macon to Columbus:

New York, N. Y., to—	1	2	3	4	5	6
Macon, Ga.....	102	91	81	66	55	43
Terra Cotta to Rutland, Ga., inclusive.....	117	105	94	76	64	51
Echeconnee, Ga.....	122	109	96	79	66	53
Fort Valley, Ga.....	114	98	86	73	60	49
Everett to Schatula, Ga., inclusive.....	125	111	98	81	67	54
Columbus, Ga.....	105	93	83	68	56	44

The rates to Albany and to Eufaula are the same as to Columbus, above shown, while the rates to intermediate stations on the route to Columbus are fairly representative of the rates to intermediate stations on the routes to Albany and Eufaula. It is unnecessary for the purposes of this report to show the actual rates to all stations on the routes to those cities.

5. Rates from New York to Montgomery and Selma, Ala.

Route: Ocean Steamship Company of Savannah to Savannah; Seaboard Air Line Railway, Savannah to Montgomery; constructive mileage 588; Seaboard Air Line Railway, Savannah to Montgomery; Western Railway of Alabama, Montgomery to Selma; constructive mileage 638.

Rates: The rates from New York to points on the Seaboard Air Line Railway east of Lanier, Ga., do not exceed the rates to Montgomery.

Below are shown the rates from New York to stations on the Seaboard Air Line Railway, Lanier to Montgomery:

New York, N. Y., to—	1	2	3	4	5	6
Lanier, Ga.....	109	92	79	60	50	41
Groveland, Ga.....	109	93	79	64	52	41
Claxton, Ga.....	109	93	79	65	54	41
Belleville, Ga.....	111	95	81	66	55	43
Collins, Ga.....	112	97	82	67	55	43
Ochoopee, Ga.....	116	100	84	70	56	44
Lyons, Ga.....	119	103	86	71	57	45
Vidalia, Ga.....	120	104	87	72	57	45
Higginston, Ga.....	122	105	88	73	59	46
Afley, Ga.....	124	107	87	73	59	46
Glenwood, Ga.....	126	108	91	75	60	48
Alamo, Ga.....	131	112	94	76	61	49
McRae, Ga.....	115	100	87	67	54	42
Milan, Ga.....	139	117	99	78	64	51
Rhine, Ga.....	188	119	102	80	65	53
Abbeville, Ga.....	135	119	102	80	65	53
Rochelle, Ga.....	130	116	103	81	65	54
Pitts, Ga.....	128	113	101	80	66	55
Seville, Ga.....	125	101	99	81	67	54
Cordele, Ga.....	105	93	83	68	56	44
Coney, Ga.....	120	107	96	78	65	52
Cobb, Ga.....	125	111	99	81	67	54
Desoto, Ga.....	128	113	102	83	70	55
Huntington, Ga.....	120	107	96	78	65	52
Americus, Ga.....	105	93	83	68	56	44
Plains, Ga.....	125	111	99	81	67	54
Preston, Ga.....	130	116	103	86	71	57
Richland, Ga.....	135	119	107	89	74	58
Lumpkin, Ga.....	139	123	111	92	74	59
Cottonton, Ala.....	146	131	117	95	76	62
Pittsview, Ala.....	149	133	118	95	76	63
Butterford, Ala.....	153	137	119	98	76	63
Huntsboro, Ala.....	130	111	98	83	69	65
Hannon, Ala.....	150	131	116	92	76	61
Fort Davis, Ala.....	144	127	112	90	75	60
Hardaway, Ala.....	138	123	108	88	73	58
Sladges, Ala.....	132	117	104	86	71	56
Merry, Ala.....	129	113	101	84	70	55
Mittlere, Ala.....	126	110	97	81	68	53
Montgomery, Ala.....	108	95	84	69	57	45

The rates from New York to Selma are exactly the same as are the rates to Montgomery. The rates to intermediate stations between Montgomery and Selma are made by combinations on either Montgomery or Selma. This results in rates that increase westwardly from Montgomery to Whitehall, Ala., a point midway between Montgomery and Selma. The rates to Whitehall are:

136 121 108 89 74 59

6. Rates from New York City to Demopolis and Tuscaloosa, Ala.

Route to Tuscaloosa: Old Dominion Steamship Company, New York City to Norfolk; Southern Railway, Norfolk via Atlanta to Birmingham; Alabama Great Southern Railroad, Birmingham to Tuscaloosa; constructive mileage, 1,000.

Route to Demopolis: Ocean Steamship Company of Savannah to Savannah; Seaboard Air Line, Savannah to Montgomery; Western Railway of Alabama, Montgomery to Selma; Southern Railway, Selma to Demopolis; constructive mileage, 687.

Rates: The rates from New York to Tuscaloosa via the route described are not exceeded at intermediate points on the Southern Railway east of Birmingham.

Below are shown the rates to points on the Alabama Great Southern Railroad, Birmingham to Tuscaloosa, inclusive:

New York, N. Y., to—	1	2	3	4	5	6
Birmingham, Ala.....	114	98	86	73	60	49
Jonesboro, Ala.....	129	111	97	82	67	55
Kimbrel, Ala.....	137	118	103	87	72	58.5
Vance, Ala.....	143	123	107	90	75	61
Cottondale, Ala.....	147	128	110	92	77	62.5
Tuscaloosa, Ala.....	138	120	102	83	70	58

On the route to Demopolis the rates to intermediate points east of Selma have been shown in connection with the routes to Montgomery and Selma in section 5.

Below are shown the rates to stations on the Southern Railway, Selma to Demopolis, inclusive:

New York, N. Y., to—	1	2	3	4	5	6
Selma, Ala.....	108	95	84	69	57	45
Herrell, Ala.....	136	116	106	89	74	58
Brown, Ala.....	142	123	110	92	77	59
Faunsdale, Ala.....	146	127	114	96	81	61
Gallion, Ala.....	148	128	110	94	78	62
Spocari and Demopolis, Ala.....	118	103	90	74	61	49

THE DEFENSE.

The defense of the carriers for the maintenance of lower rates, water and rail or all rail, from New York to Augusta, Memphis Macon, Milledgeville, Hawkinsville, Dublin, Columbus, Albany, Eufaula, Montgomery, Selma, Demopolis, and Tuscaloosa, than to intermediate points rests primarily upon the following grounds:

1. It is asserted that the rates to these points have been influenced by water competition, existing or potential, which has necessitated the establishment of rates thereto lower than otherwise would have existed. These rates have been brought to their present level by reason of the water service that these points have enjoyed and to some extent still enjoy, and by reason also of the market competition between these points and other points with which they compete for trade.

2. That these rates are subnormal.

3. That they pay more than the additional cost of handling.

4. That the rates to the intermediate points are not unreasonable.

(a) Augusta, Ga., was founded in 1735 and was located at the head of navigation on the Savannah River in order to control the trade with the Indians in South Carolina and eastern Georgia. Long before the construction of railroads it was an important distributing point. Merchandise reached Augusta from Savannah by means of boats on the Savannah River and from Charleston by means of wagons and teams. Augusta became the western terminus of the old South Carolina Railroad, constructed largely by merchants of Charleston from Charleston to Augusta in 1833. The purpose of its construction was to enable the merchants of Charleston to more successfully compete with the merchants at Savannah for the trade at Augusta. The management of this railroad soon after its construction established lower rates from Charleston to Augusta than to intermediate points, and brought about a violation of the long-and-short-haul rule that has continued, as to this traffic, from that day to this. In 1852 a railroad was completed from Savannah to Augusta. This is now a part of the Central of Georgia Railway, and is the route chosen for discussion in this case and constitutes the rail haul on the route from New York to Augusta. The management of this railroad established lower rates from Savannah to Augusta than to intermediate points, a policy that has been continued ever since. Augusta had a population in 1910 of 41,041. It is served by the following railroads and steamboat lines: Atlantic Coast Line Railroad, Augusta Southern Railroad, Central of Georgia Railway, Charleston & Western Carolina Railway, Georgia Railroad, Georgia & Florida Railroad, Southern Railway, Merchants & Farmers Navigation Company, and Augusta & Savannah Steamboat Company.

The two steamship companies each furnish a service twice a week between Augusta and Savannah. All-water rates are applied from New York to Augusta, and the relation of these rates to the rail-and-water rates is shown below, in cents per 100 pounds except as noted:

Comparison of standard rail-and-water rates on classes and commodities from New York to Augusta, with the all-water rates and rates made on Savannah combination, using the water rates to Savannah and the published rail rates beyond.

	Rail and water.	All water.	Combi- nation.
CLASSES.	Cents.	Cents.	Cents.
First class.....	96	86	103
Second class.....	81	71	84
Third class.....	70	62	65
Fourth class.....	58	52	51
Fifth class.....	47	42	42
Sixth class.....	37	33	36
Class A.....	28	24	28
Class B.....	42	38	36
Class C.....	32	28	29
Class D.....	31	27	28
Class E.....	43	39	45
Class H.....	54	50	54
Class F (per barrel).....	61	53	53
COMMODITIES.			
Bagging, rated class A in southern classification.....	20	16	18
Beans, dried, c. l.....	47	42	37
Canned goods, c. l.....	37	32	33
Same, l. c. l.....	50	42	47
Cement, c. l.....	22	18	15½
Fertilizer, c. l., per ton of 2,000 pounds.....	515	435	380
Flour, in sacks.....	32	28	21
Same, in barrels, per barrel.....	61	53	42
Iron and steel articles, viz:			
Special iron, c. l.....	30	26	26½
Same, l. c. l.....	36	32	29
Rails, iron or steel, lengths of 33 feet or under, c. l., per ton 2,240 pounds.....	694	604	420
Molasses and sirup, in barrels c. l.....	25	20	24
Same, l. c. l.....	25	20	29
Salt, c. l.....	23	19	15
Soap, common.....	28	24	27
Starch, c. l.....	31	27	21
Sugar, c. l.....	27	22	26½
Same, l. c. l.....	27	22	26½
Ties, cotton, c. l.....	20	16	28

The Savannah River is navigable for the entire year. The boat service is regular and has continued for nearly 100 years. The United States government has spent large sums of money in the improvement of the Savannah River and \$350,000 was appropriated for that purpose during the year 1912. The normal depth of the river for the year 1911 was 16.1 feet high water, and 8.9 feet low water. The lowest point reached during that year was 6.6 feet during June, 1911. The testimony indicates that nearly all of the sugar, cotton ties, bagging, cement, iron and steel articles, canned goods, and other heavy commodities moved into Augusta via the river, and the rail lines participate very little in this traffic. The testimony also indicates that the boat lines handle the bulk of the outgoing products, consisting largely of cotton goods, to eastern cities.

Augusta is in competition for trade with Charleston and Savannah on the east and with Columbia, Macon, and Atlanta on the west and north, and the record is clear that this fact has been influential with the carriers serving Augusta in bringing about the present low level of rates at that point. Upon the whole record we are of the opinion that the present level of rates from New York to Augusta is, however, the result, in the main, of water competition, and that these rates can not be materially advanced without consequent loss of traffic to the rail carriers petitioners herein.

(b) As a trading post Memphis was known as Chickasaw Bluffs. It was chartered under its present name in 1826. In 1910 it had a population of 131,105. It is served by the following-named railroads: Chicago, Rock Island & Pacific; St. Louis & San Francisco; Illinois Central; Yazoo & Mississippi Valley; Louisville & Nashville; Nashville, Chattanooga & St. Louis; St. Louis, Iron Mountain & Southern; St. Louis Southwestern; and Southern. The present rates to Memphis were established by the trunk line routes from the eastern seaboard through the Ohio River crossings to meet the water competition from the east via New Orleans and the Mississippi River. The trunk lines from New York, all rail, after reaching Cincinnati and points beyond, were in active competition with the boat lines on the river system connecting Cincinnati, Louisville, Evansville, Paducah, Cairo, St. Louis, Nashville, Memphis, and New Orleans, and other points on the Ohio, Cumberland, and Mississippi rivers. This brought about an adjustment between these various cities. Starting with the New York-Cincinnati adjustment, the rates of the trunk lines are gradually built up to points beyond, not on locals, but on differentials which enable the rail lines to compete with the boat lines operating on these rivers. The rates to Cincinnati and certain other points are here shown:

New York, N. Y., to—	Miles.	1	2	3	4	5	6
Cincinnati, Ohio.....	750	65	57	44	30	26	22
Louisville, Ky.....	860	75	65	50	35	30	25
Evansville, Ind.....	987	83	72	55	39	33	28
Paducah, Ky.....	1,092	90	78	60	42	36	30
Cairo, Ill.....	1,101	90	78	60	42	36	30
Memphis, Tenn.....	1,237	100	85	65	45	38	32
Nashville, Tenn.....	1,047	91	78	60	42	36	31

The Commission had occasion to examine the rates from the eastern cities to Memphis in 1890 in the case of *Board of Trade of Chattanooga v. E. T. V. & G. Ry. Co.*, 5 I. C. C., 546. At that time the rates to Memphis on the first five classes were the same as they are to-day, but the rates on the sixth class were 3 cents higher than at present. The Commission then held that "defendants are justified by the existence of water competition of controlling force in charg-

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ing less on such traffic for the longer distance to Memphis." The situation as it existed in 1890 and as disclosed by the report of the Commission is summed up in paragraph 9, on page 563, in the same case, of which the following is an extract:

The situation is quite different with respect to Memphis. The defendant lines actually meet water competition at that point which is direct and to a large degree controlling. The heavy shipments from the Atlantic Seaboard to Memphis go for the most part by way of New Orleans, and the carriers complained of in this proceeding make little effort to compete with the water lines on traffic of that description. At least a third of the entire volume of eastern merchandise appears to reach Memphis by ocean steamer to New Orleans and thence by water or rail to destination. The differences between the rates on the several classes of freight from eastern cities over the routes through Chattanooga and the rates by ocean to New Orleans and thence by the Mississippi River to Memphis are shown by the following table:

	1	2	3	4	5	6
By defendants' lines.....	100	85	65	45	38	35
By New Orleans and river.....	65	60	45	33	28	27
Differences.....	35	25	20	12	10	08

On shipments from New York to New Orleans by ocean and thence by rail to Memphis the rates now in force for the several classes are 83 cents, 75 cents, 57 cents, 40 cents, 34 cents, and 32 cents; also the following commodity rates, viz: on bags, bagging, soda, and coffee, 32 cents; on boots and shoes, dry goods, carpets, clothing, and notions, 68 cents; and on cotton piece goods, 52 cents.

There are two steamers per week of large capacity from New York to New Orleans, and three or four lines of boats ply the Mississippi at all seasons of the year between the latter place and Memphis. Large quantities of dry goods, staple groceries, and other similar articles, which at Memphis amount to a very large tonnage, reach the wholesale dealers of that city via New Orleans at the rates above stated. The rail carriers from the east can not meet these rates and do not control this class of business. Their participation in the traffic is mainly confined to the higher grades of freight, on which the advantages in time, insurance, and other items compensate for the increased cost of transportation. It appears also that the East Tennessee, Virginia & Georgia Railway, and presumably the other defendants, have agreed with the steamship lines running to New Orleans, and their connecting carriers to Memphis, upon the present differentials in favor of the New Orleans route to that destination; and the fact of such an agreement to prevent ruinous rate cutting indicates with much force the existence and positive influence of water competition for the carrying trade to that town. The apparent effect of these differentials is to give to the water routes a large share of the heavy and bulky traffic, especially the coarser and cheaper goods of general consumption at all periods of the year, while the lines operated by the defendants transport the greater portion of the more valuable commodities embraced in the higher classes.

The rates made to Memphis via the steamers to New Orleans thence by rail, referred to in the preceding paragraph, were advanced in 1898 to—

100 85 65 45 38 32

These rates were continued until December 5, 1910, when they were canceled, so that at present there are no through rates via New Orleans to Memphis. Neither is it true at present that there is any

regular water service between New Orleans and Memphis, and there are no through all-water rates open to the shipper, such as were in effect at the time of the report above mentioned. It can not, therefore, be asserted that there is any actual active water competition existing at present between New York and Memphis. There is a disconnected service between New Orleans and Memphis, regular boats plying between Natchez and Vicksburg and Memphis. The water competition is to be regarded as potential but not actual, and the testimony in this case indicates that any material advance in the rates from New York City to Memphis would without doubt result in reestablishment of active competition on the Mississippi River.

(c) Macon, Ga., was founded in 1823 and was located at the head of navigation on the Ocmulgee River, a branch of the Altamaha River. The site where the city is located had previously been an important trading post protected by Fort Hawkins. Prior to the construction of railroads Macon had become an important distributing center. It received its merchandise by boats operating on the Ocmulgee and Altamaha rivers. The first steamboat came to Macon in 1829, and by 1837 there were eight steamboats operating between Macon and the mouth of the Altamaha River at Darien.

The state of Georgia expended between the years 1817 and 1860 \$115,000 in the improvement of this river system. The United States government expended on the same system up to June 30, 1911, \$605,500. The testimony indicates that a boat service, more or less regular, was continued on this river through most of the years prior to 1909, when it was abandoned. The present project of the United States Government contemplates a minimum depth of water of 3 feet at Macon, and recommendations have been made to Congress by the government engineers to increase this depth to 4 feet. It is testified that the people of Macon are arranging to put four boats in operation on the river between Macon and Darien.

The first railroad reaching Macon from the coast was the road from Savannah, now a part of the Central of Georgia and the line selected for discussion in this case. This was completed in 1843, and its management immediately established lower rates Savannah to Macon than to intermediate points. Macon had a population in 1910 of 40,665. It is served by the following named railroads: Central of Georgia Railway; Southern Railway; Georgia Railroad; Georgia Southern & Florida Railway; Macon & Birmingham Railway; and Macon, Dublin & Savannah Railroad.

The Macon & Brunswick Navigation Company has two steamboats which formerly operated on the Ocmulgee and Altamaha rivers, but the service was discontinued in 1909. One of these boats has since

been placed in commission and resumed business on the river. The tonnage handled by the railroads in and out of Macon during the year 1910 was 2,000,000 tons, 50 per cent of which was handled to and from the coast. It is estimated that one-third of this traffic to and from the coast could have been advantageously transported by boat if navigation on the river permitted and the boats were in operation.

The water-and-rail rates from New York to Macon were subject to many changes prior to 1884 which it is unnecessary to recount. In that year an adjustment was made that resulted in the following rail and water rates New York to Macon:

109 96 83 70 59 48

These rates were continued up to 1905 when, as the result of changes in the rates to Atlanta brought about by forces described in subdivision J of this report, these rates were reduced to their present level:

102 91 81 66 55 43

The record is clear and convincing that the rates from New York to Macon have been influenced by water competition. It may fairly be concluded from the testimony that the rates in effect to that point from 1884 to 1905 reflected the force of water competition existing and potential. The present level of rates to Macon, however, are not necessitated by the water competition to Macon, and the reductions made in 1905 were not the result of increased water competition but were the result of reductions made to Atlanta and other points with which Macon competes as a distributing center. This is a case of competition between distributing markets given force and effect through the agency of rival and competing carriers. The major interest of one carrier is with Macon, that of another is with Atlanta or some other point. The amount of transportation that can be sold by the carriers serving Macon is influenced by the ability of Macon to distribute into surrounding territory in competition with Savannah, Brunswick, and Augusta on the east, Columbus, Cordele, and Americus on the south and west, and Atlanta and Athens on the north.

Savannah and Brunswick are, to a large extent, served by steamship companies that do not reach Macon. Augusta is served by the Atlantic Coast Line and the Charleston & Western Carolina that do not reach Macon. Columbus and Americus are served by the Seaboard Air Line that does not reach Macon. Cordele is served by the Atlanta, Birmingham & Atlantic, Georgia Southwestern & Gulf, and the Seaboard Air Line, none of which reaches Macon. Atlanta is served from the east by the Atlanta, Birmingham & Atlantic, Georgia Railroad, and the Seaboard Air Line, none of which reaches Macon.

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There is no doubt whatever that the interests of some of these carriers are served by the maintenance of rates to Macon that will enlarge its distributing capacity. As much, however, might be said regarding many intermediate points. The interests of the Central of Georgia might be served by establishing rates to a selected one of its intermediate local points lower than the rates to Macon in order that such point may distribute in competition with Macon. The Central of Georgia would haul all of the business distributed at the intermediate point while it handles but a portion of the business going to Macon. There would be little doubt, however, that this course of procedure would result in rates unduly preferential to the selected point and unduly discriminatory against the other intermediate points not so selected.

It is represented that the reductions in rates to Macon brought about in 1905 were not the result of any choice on the part of the carriers, but were forced upon the carriers by reason of the reductions made to Atlanta in order to preserve as nearly as may be the relation of rates between Atlanta and Macon. All points to which rates are made by combination over Macon received corresponding reductions. The reductions to Macon in 1905 were 9, 5, 2, 4, 4, and 5 cents on classes 1 to 6, respectively. The reductions that were simultaneously made to intermediate stations between Oconee and Macon were 9, 2, 1, 3, 1, and 3 cents on classes 1 to 6, respectively. Oconee is approximately 45 miles east of Macon, and stations between that point and Macon were the highest rated stations on the line. It is apparent, therefore, that the reductions made to Macon in 1905 produced little, if any, increase in discrimination against these higher rated intermediate points. Moreover it is represented that the rates of the carriers from Savannah to Macon are not within the control of these petitioners, but are fixed by the railroad commission of the state of Georgia. It is further represented that the interstate rates from New York to Macon can not be maintained materially higher than the sum of the water rates New York to Savannah added to the local rates Savannah to Macon, neither factor of which is within the control of these carriers. The water rates New York to Savannah are—

57	47	37	29	24	19
----	----	----	----	----	----

Rail rates Savannah to Macon—

63	56	48	40	34	28
----	----	----	----	----	----

Combination—

120	103	85	69	58	47
-----	-----	----	----	----	----

Water-and-rail rates New York to Macon—

102	91	81	66	55	43
-----	----	----	----	----	----

It will be observed that the class rates to Macon on classes 3, 4, 5, and 6 are but small differentials less than the combination rates on the
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same classes, and on certain commodities, notably on sugar, iron articles, starch, soap, canned goods, etc., the through rates exceed the combination rates. Under these circumstances it is earnestly contended that the rates can not be maintained materially higher than they now are.

Upon the whole record we are of the opinion that the rates maintained from eastern cities to Macon from 1884 to 1905 were necessitated by the actual competition then existing. The present level of rates, however, is not so necessitated, and the maintenance of these rates to Macon and higher rates to intermediate points west of Millen constitutes undue preference to Macon and undue discrimination against intermediate points.

Rates to Milledgeville, Hawkinsville, and Dublin, Ga.: Dublin and Milledgeville are located on the Oconee River, a branch of the Altamaha River, and Hawkinsville is on the Ocmulgee River about 30 miles south of Macon. Dublin is served by the Central of Georgia Railway, Macon, Dublin & Savannah Railroad, and the Wrightsville & Tennille Railroad. Milledgeville is served by the Central of Georgia Railway and the Georgia Railroad. Hawkinsville is served by the Gulf Line Railway, Wrightsville & Tennille Railroad, and the Southern Railway. The four towns, Macon, Milledgeville, Hawkinsville, and Dublin, enjoy the same rates from New York. They are all upon the same river system, enjoy approximately the same degree of water competition, and the reasons which have induced the scale of rates now applicable at Macon are similar in all respects to the reasons that have induced a like scale of rates to the other three towns.

(d) Columbus, Ga., is located at the falls of the Chattahoochee River, a branch of the Apalachicola River. The first-named river forms a part of the state line between Georgia and Alabama. Columbus is built upon the site of the old Indian town Coweta, the capital of the Creek Nation. The city was founded in 1827 and was an important distributing center before the construction of any railways to that point. Merchandise reached Columbus by boats plying on the Apalachicola and Chattahoochee rivers from and through Apalachicola. The first steamboat came to Columbus in 1828 and by 1848 six steamboats were operating between Columbus and Apalachicola. The first railroad reaching Columbus was completed between Columbus and Macon in 1852. This was known as the Muscogee Railroad, and is now a part of the Central of Georgia Railroad and the line selected for discussion in this case. The management of this railway when establishing rates from Savannah to Columbus made such rates lower than to intermediate points, a policy which it has continued through the subsequent 60 years of

operation. Columbus had a population in 1910 of 20,554. It is served by the following railroads and steamship lines: Central of Georgia Railway; Seaboard Air Line Railway; Southern Railway; and the Merchants and Planters Steamboat Company.

The last-named company operates four steamers with two sailings per week between Columbus and Apalachicola. These boats, in connection with the boats on the Gulf of Mexico, furnish an all-water route from Columbus to New Orleans, Mobile, and Pensacola. The number of arrivals of boats at Columbus are shown to have been in the year 1866, 84; 1885, 231; 1890, 203; 1895, 141; and 1899, 201. During the last 47 years the average yearly arrival of boats has been 129.

But few tonnage statistics relative to the traffic handled by these boats are available. It is shown that in 1906 the boats handled 76,233 tons in and out of Columbus. During March, 1910, the boats delivered at Columbus 204,720 pounds of freight, during April 249,235 pounds, and during May 440,200 pounds. This tonnage came for the most part from New Orleans, Chicago, Cairo, St. Louis, and Pensacola, and consisted of foodstuffs and merchandise of almost every description. Only a small amount of the freight coming to Columbus by boat comes from the eastern cities, but there is a possible all-water route by the Mallory Line to Mobile and steamboat lines from Mobile via Apalachicola to Columbus.

Prior to 1884, the rail-and-water rates from New York to Columbus, like the rates to Macon, were subject to many changes. In 1884, coincident with corresponding changes to other Georgia common points, the rates from New York to Columbus were reduced to

114 98 86 73 60 49

These were the rates to Atlanta, and continued in effect to both cities from 1884 to 1905, when they were reduced to

105 93 83 68 56 44

The frequent changes in the rates to Columbus prior to 1884 indicate an active rivalry among the rail and water carriers for the transportation of goods to that point. These rates survived for more than 20 years, during which both rail and water transportation agencies underwent very important changes. There is no testimony to show that these rates did not satisfactorily meet the water competition of that period. On the contrary, the testimony is clear that the reductions made in 1905 were not the result of water competition, but were made on account of changes in the rates to Atlanta (brought about by conditions described in subdivision J). These changes in the rates to Columbus were made by the carriers in order to preserve the relation between the rates to Columbus and to Atlanta

and other competitive Georgia points. The changes were made largely in order to preserve the power of Columbus as a distributing center in competition with other distributing centers. Here, however, as in the case of Macon, it is represented that the rates from Savannah to Columbus are controlled by the Railroad Commission of Georgia and that the two factors, which together limit the rates to Columbus, namely, the water rates from New York to Savannah, and the rail rates, Savannah to Columbus, are both beyond the control of these petitioners. When the reductions in the rates to Columbus were made, the rates to all points to which rates were made by combination on Columbus were of course correspondingly reduced. The rates to the higher-rated territory between Columbus and Macon, which covers stations Reynolds to Schatulga, are not so made. The rates to these stations are blanket rates covering a territory 50 miles wide, and are made arbitraries over the Columbus rates. These arbitraries are the local rates on the Central of Georgia for distances of 10 miles. The reductions made in the rates to Columbus were 9, 5, 3, 5, 4, and 5 on classes 1 to 6, while the reductions made to these higher-rated intermediate points were 6, 0, 0, 2, 2, and 2.

It will be seen that some of the benefits of these reductions to Columbus were extended to intermediate points and the increase in discrimination produced by the reductions was to this extent diminished.

These petitioners earnestly urge that it is practically impossible for them to increase the rates to Columbus, and that to shrink their rates to intermediate points will entail a loss of revenue that they are not able to sustain.

Upon the whole record we are of the opinion that the rates from eastern cities to Columbus maintained from 1884 to 1905 were necessitated by the actual competition existing at that point. The present level of rates, however, is not so necessitated, and the maintenance of these rates to Columbus and higher rates to intermediate points constitutes undue preference to Columbus and undue discrimination against intermediate points between Macon and Columbus.

Albany, Ga., is located at the head of navigation on the Flint River, a branch of the Apalachicola. It had a population in 1910 of 8,190. It is served by the following-named railroads: Atlantic Coast Line, Central of Georgia, Seaboard Air Line, Georgia Southwestern & Gulf, and Georgia Northern.

Small steamboats ascend the river to Albany. Up to June 30, 1911, the United States government had expended \$278,500 in improving the navigation of the Flint River. The testimony indicates

that a regular boat service has been maintained on this river for many years and is now maintained. This service is, however, only for small boats of light draft and little tonnage. No statistics of actual movement of articles by river to Albany are shown in the record. There is no evidence of any traffic whatever moving by water from New York to Albany and the business moving from the west to that point by water must be of little consequence. The competition with Americus, Cordele, Dawson, Eufaula, and Columbus as distributing centers constitutes the primary reason for the depression in rates to Albany from the east.

The rates from the east to Albany have been the same as to Columbus since 1891. Upon the whole record we are of the opinion that the present rates to Albany are unduly preferential in character, and that the rates made thereto should not be less than to intermediate points.

Eufaula, Ala., is on the Chattahoochee River about 50 miles south of Columbus. It is a local point on the Central of Georgia. The rates to this point are the same as the rates to Columbus. Whatever water competition may exist at Columbus is present at Eufaula, and it may be said that all of the influences that have induced the establishment of the present level of rates to Columbus have been effective in bringing about a parity of rates between Eufaula and Columbus.

(c) Montgomery, Ala., is the site of the old Indian town on the Alabama River, which, early in the eighteenth century, developed into an important French trading post known as Fort Toulouse. It received its merchandise via boats on the Alabama River. By 1844 there were 38 steamers engaged in the cotton trade alone on the Alabama and Tombigbee rivers. By 1856 the river fleet had increased to 80 steamers.

The first railroad reaching Montgomery was a line now a part of the Western Railway of Alabama from West Point to Montgomery, constructed in 1854. This line put Montgomery in communication by rail with the south Atlantic coast cities and with Nashville, Tenn. Montgomery had a population in 1910 of 38,136. It is served by the following-named railroads: Atlantic Coast Line; Central of Georgia; Louisville & Nashville; Mobile & Ohio; Seaboard Air Line; and Western Railway of Alabama. There is also a regular boat service on the Alabama River between Mobile and Montgomery.

The rates of the boat lines from Mobile to Montgomery are fixed by the Alabama Railroad Commission, and on the first six classes are as follows:

30	20	20	18	12	10
----	----	----	----	----	----

The rates of the boat lines from Mobile to Montgomery added to the rates of the Mallory Line from New York to Mobile make lower
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rates on the first six classes than the rail-and-water rates through the South Atlantic ports.

	1	2	3	4	5	
Mallory Line rates, New York to Mobile.....	75	65	54	44	38	33
River rates, Mobile to Montgomery.....	30	20	20	18	12	10
Combination.....	105	85	74	62	50	43
Rail-and-water rates, New York to Montgomery.....	108	95	84	69	57	45

On practically all commodities the rates on Mobile combination between New York and Montgomery are less via the water lines than via the water-and-rail routes through the south Atlantic ports. The testimony indicates that a large percentage of the business moving from New York to Montgomery moves via Mobile and the Alabama River. In the case of Montgomery as in those of Macon and Columbus, it is urged that the two factors the sum of which limits the rates from New York to Montgomery are both beyond the control of these petitioners.

Upon the whole record we are of the opinion that the level of rates from New York to Montgomery has been necessitated and is now necessitated by conditions over which these petitioners have little or no control.

Selma, Ala., is on the Alabama River about 50 miles west of Montgomery. It is served by the Western Railway of Alabama, the Southern Railway and the Louisville & Nashville Railroad. It had a population in 1910 of 13,649. The same rates are made via all rail, water and rail, and all water to Selma that are in effect to Montgomery. The same conditions which have necessitated the level of rates applied at Montgomery are present at Selma.

(f) Demopolis and Tuscaloosa, Ala.

Demopolis, Ala., is situated at the junction of the Tombigbee and Warrior rivers in the western part of Alabama. It is a local station on the Southern Railway. The rates via the boat lines on the Tombigbee River from Mobile to Demopolis are exactly the same as have been heretofore given as applicable to Montgomery and Selma. The through published rates, water and rail, via the south Atlantic ports to Demopolis that have been given in section 6 of this subdivision, are in excess of the rates to Montgomery and Selma, and the water-and-rail rates via the Mallory line to Mobile and rail thence to Demopolis are—

106 93 81 67 57 46

which correspond reasonably to the rates made through the south Atlantic ports to Montgomery and Selma. The Mallory Line maintains rates to all the territory lying on and south of the Southern



Railway from Selma to Meridian which are the following differentials less than the rates to the same stations via the south Atlantic ports:

12 10 9 7 4 3

The reasons necessitating the scale of rates applicable water and rail to Demopolis are exactly the same as have been described in connection with Montgomery and Selma.

Tuscaloosa, Ala., is situated on the Warrior River about 75 miles north of Demopolis. It is served by the Mobile & Ohio Railroad, Alabama Great Southern Railroad, and the Louisville & Nashville Railroad. Steamboats operating on the Warrior and Tombigbee rivers charge higher rates from Mobile to Tuscaloosa than to Demopolis, and the rail lines operating from Mobile to Tuscaloosa charge higher rates to Tuscaloosa than to Demopolis by the following amounts:

29 29 28 21 22 11

The carriers appear in the case of Tuscaloosa to have done no more than to meet the conditions at Tuscaloosa created by boat lines operating on the Warrior and Tombigbee rivers.

2. Are these rates from New York to the river points above named subnormal?

Below are shown the rates from New York City to Augusta, Memphis, Macon, Columbus, Montgomery, Demopolis, and Tuscaloosa, together with the constructive water-and-rail mileage to each point:

New York, N. Y., to—	Mileage.	1	2	3	4	5	6
Memphis, Tenn.....	¹ 1,160	100	85	65	45	38	32
Augusta, Ga.....	² 382	96	81	70	56	47	37
Macon, Ga.....	² 441	102	91	81	66	55	43
Columbus, Ga.....	² 541	105	93	83	68	56	44
Montgomery, Ala.....	² 588	108	95	84	69	57	45
Demopolis, Ala.....	² 687	118	103	90	74	61	49
Tuscaloosa, Ala.....	² 1,000	138	120	102	83	70	58

¹ All rail.

² Constructive.

A comparison of these rates with the average rates made over like distances to noncompetitive points in this territory as shown from Exhibit No. 117 shows that these rates are in all instances materially lower than such average rates. The rates to these points do not, however, in most instances, compare favorably with the rates to the ports and are to be thought of as constituting an entirely different class. They have been depressed below the level of the rates to noncompetitive points but are distinctly higher than the rates made over like distances from the Ohio River crossings, New Orleans, and New York to any of the south Atlantic or Gulf ports.

3. There are no rates made to any of these points that appear to yield less than the probable additional cost of handling.

4. Are the rates to intermediate points unreasonable?

(a) On the route of the Central of Georgia to Augusta the highest rated point is Greens Cut, Ga., 106 miles from Savannah, and 356 constructive miles from New York. The rates to Greens Cut are—

124 104 91 73 58 48

Average rates for two-line hauls of 350 miles as shown from Exhibit No. 117 are—

110 95 84 69 58 48

The rates to Greens Cut on the first four classes exceed these average rates, and to the extent of such excess are unjustly discriminatory.

(b) On the route to Memphis the highest rated point is Pocahontas, Tenn., approximately 1,075 miles all rail from New York. The rates to Pocahontas are—

141 121 98 73 61 51

These rates are below the level of the average rates for like distances in this territory and do not appear to be unreasonable.

(c) On the route to Macon the highest rated points are stations Toombsboro to Gordon, Ga. Toombsboro is 155 miles from Savannah and 405 constructive miles from New York. The rates to Toombsboro are—

122 109 97 79 66 53

These rates may properly be compared with the average rates made over two-line hauls for 400 miles as shown from Exhibit No. 117; such average rates are—

112 98 78 72 60 49

The rates to Toombsboro are considerably in excess of these average rates and to the extent of such excess are unduly discriminatory.

(d) On the route to Columbus the highest rated points are those from Everett to Schatulga, Ga. Schatulga is 531 constructive miles from New York and the rates thereto are—

125 111 98 81 67 54

These rates compare fairly with the average rates made over two-line hauls for like distances in this territory and do not appear to be unreasonable.

(e) On the route to Montgomery the rates to stations east of Cordele, Ga., are discussed in subdivision J of this report. West of Cordele the high-rate point is reached at Rutherford, Ala., 274 miles from Savannah and 524 constructive miles from New York. The rates to Rutherford are—

153 137 119 93 76 63

Rutherford is but 7 miles west of Hurtsboro, Ala., a junction point with the Central of Georgia Railway. The rates applicable to Hurtsboro are—

130 111 98 83 69 65

These rates are not exceeded at intermediate points on the Central of Georgia Railway and no adequate justification is shown for the application on the Seaboard Air Line of a scale of rates so greatly in excess of the scale in use on the Central of Georgia. The rates to Rutherford greatly exceed the average rates made over two-line hauls for like distances in this territory as shown from Exhibit No. 117.

We are of the opinion that the rates to Hurtsboro, Ala., should not be exceeded at the intermediate points on the Seaboard Air Line. These petitioners should be authorized to continue lower rates to Montgomery and higher rates to intermediate points provided the rates to stations east of Hurtsboro, Ala., are so corrected as to not exceed the present rates to Hurtsboro and the rates to stations west of Hurtsboro do not exceed the rates to that point by more than 5 per cent and in no case exceed the combination on Montgomery.

The rates to stations between Montgomery and Selma are made by combinations on either Montgomery or Selma and reach a maximum at the middle of the line. These rates do not appear to be unreasonable.

(f) On the route to Tuscaloosa, Cottondale is the highest rated point, 992 miles from New York, with rates of—

147 128 110 92 77 63½

These rates are below the level of average rates for like distances in this territory and do not appear to be unreasonable.

On the route to Demopolis, Faunsdale, Ala., 672 constructive miles from New York, is the high-rate point with rates of—

146 127 114 96 81 61

The section of the Southern Railway connecting Selma and Demopolis is but 49 miles in length and connects two water-competitive points both taking exceptionally low rates from New York. Apparently the stations on this line have received little benefit from their contiguity to these low-rated points. Gallion, Ala., is but 8 miles from Demopolis and intermediate thereto, but the rates to Gallion exceed the rates to Demopolis by—

30 23 20 20 17 14

On the route to Columbus we have found that the rates to stations intermediate to Columbus were not unreasonable, although they exceed the rates to Columbus by the following differences:

20 18 15 13 11 10

In our opinion the rates to these stations between Selma and Demopolis exceed by unreasonable amounts the rates to those cities and should be reduced in such manner that they will not exceed the present rates to Selma by more than 20, 18, 15, 13, 11, and 10 cents per 100 pounds on classes 1 to 6, respectively.

SUBDIVISION H.

RATES FROM NEW ORLEANS, LA., TO POINTS ON NAVIGABLE RIVERS.

The points selected on navigable rivers are Augusta, Macon, Columbus, and Albany, Ga., and Montgomery and Selma, Ala.

1. Rates from New Orleans to Augusta.

Route: Louisville & Nashville Railroad, New Orleans to Montgomery; Western Railway of Alabama and Atlanta & West Point Railway, Montgomery to Atlanta; Georgia Railroad, Atlanta to Augusta; 664 miles.

The rates to all stations on this route east of Brewton, Ala., are shown in section 1 of subdivision C of this report.

2. Rates from New Orleans to Macon.

Route: Louisville & Nashville Railroad to Montgomery; Central of Georgia Railway, Montgomery to Macon; 542 miles.

The rates to all stations on the Louisville & Nashville Railroad, Brewton, Ala., to Montgomery, inclusive, are shown in section 1 of subdivision C.

The rates to stations on the Central of Georgia Railway east of Montgomery are shown below:

New Orleans, La., to—	1	2	3	4	5	6
.....	111	99	86	70	51	47
.....	120	104	92	74	63	49
.....	124	107	94	76	64	50
.....	127	109	96	78	65	51
.....	129	112	98	80	66	52
.....	134	117	102	82	67	53
.....	134	117	102	82	67	53
.....	139	121	104	83	68	54
.....	135	117	104	81	68	54
.....	134	115	103	82	68	54
.....	126	109	98	79	65	52
.....	120	104	93	74	61	49
as, Ga.....	99	86	77	61	50	39
.....	122	106	96	76	64	50
.....	127	111	100	81	66	52
.....	129	112	101	82	68	53
.....	132	115	103	85	69	54
.....	133	116	106	86	70	54
.....	137	120	108	89	73	56
.....	133	116	106	86	70	54
.....	124	104	96	79	64	51
.....	124	109	97	79	65	52
.....	122	101	96	76	64	50
.....	99	86	77	61	50	39

3. Rates from New Orleans to Columbus.

Route: Louisville & Nashville Railroad to Montgomery; Central of Georgia Railway, Montgomery to Columbus; 442 miles.

The rates to stations on the Central of Georgia Railway, Montgomery to Columbus, are shown in section 2 of this subdivision.

4. Rates from New Orleans to Albany, Ga.

Route: Louisville & Nashville Railroad to Montgomery; Central of Georgia Railway, Montgomery to Albany; 482 miles.

The rates to stations on the Central of Georgia Railway east of Montgomery are shown below:

New Orleans, La., to—	1	2	3	4	5	6
Mathews, Ala.....	120	104	92	74	63	49
Fitzpatrick, Ala.....	124	107	94	75	64	50
Thompson, Ala.....	127	109	96	76	65	51
Union Springs, Ala.....	129	112	98	80	66	52
Three Notch Road, Ala.....	134	117	102	79	67	53
Midway, Ala.....	134	115	103	80	68	54
Comer, Ala.....	126	109	98	79	65	52
Batesville, Ala.....	123	106	95	77	63	50
Eufaula, Ala.....	99	86	77	61	50	39
Hatcher, Ga.....	119	104	93	74	61	49
Morris, Ga.....	122	106	96	76	64	50
Cuthbert, Ga.....	124	108	96	78	64	51
Shellman, Ga.....	132	115	103	85	69	54
Graves, Ga.....	133	116	105	86	70	54
Dawson, Ga.....	119	103	92	74	61	48
Bronwood, Ga.....	134	117	105	84	70	56
Smithville, Ga.....	142	123	111	89	75	59
Adams, Ga.....	143	126	112	92	75	58
Ieesburg, Ga.....	139	121	108	87	72	58
Albany, Ga.....	119	103	92	74	61	48

5. Rates from New Orleans to Montgomery.

Route: Louisville & Nashville Railroad; 318 miles.

The rates to intermediate stations on the Louisville & Nashville Railroad east of Brewton, Ala., are shown in section 1 of subdivision C.

6. Rates from New Orleans to Selma.

Route: Louisville & Nashville Railroad; 311 miles.

The rates from New Orleans to intermediate stations on the Louisville & Nashville Railroad are shown below:

New Orleans, La., to—	1	2	3	4	5	6
Hurricane, Ala.....	66	56	50	44	39	27
Bay Minette, Ala.....	68	59	52	47	42	31
Dyas, Ala.....	70	60	53	48	43	33
Perdido, Ala.....	70	60	53	48	43	35
Atmore, Ala.....	72	62	54	49	44	38
Canoë, Ala.....	74	65	55	51	46	41
Flomaton, Ala.....	76	65	56	51	46	41
Foshee, Ala.....	78	67	57	52	47	43
Deer Range, Ala.....	80	69	58	53	48	44
Drewry, Ala.....	82	71	59	54	49	45
Peterman, Ala.....	84	72	60	55	50	46
Pleasant Hill, Ala.....	84	72	60	55	50	47
Berlin, Ala.....	84	72	60	55	50	45
Sardis, Ala.....	93	79	63	58	53	42
Selma, Ala.....	89	77	55	42	35	35

THE DEFENSE.

The defense of the carriers for carrying lower rates from New Orleans to Augusta, Macon, Columbus, Albany, Montgomery, and Selma than to intermediate points rests primarily upon the following grounds:

1. That the rates to these six points have been depressed by the influence of either water competition, rail competition, or market competition, or by all three of these influences.

- 2. That they are subnormal.
- 3. That they pay more than the additional cost of handling.
- 4. That the rates to intermediate points are not unreasonable.

(a) Below are shown the rates to Augusta from New York, certain Mississippi River crossings, and Ohio River crossings:

Augusta, from—	1	2	3	4	5	6	A	B	C	D	E	H	F
New York.....	96	81	70	56	47	37	.....	.....	.....	.....	.....	.....	.....
New Orleans, Vicksburg, and Memphis.	99	86	77	61	50	39	24	34	26	22	46	46	44
Cincinnati, Louisville, Evansville, Paducah, and Cairo	103	90	81	65	54	43	28	38	30	26	50	50	52
St. Louis.....	126	109	98	77	64	51	35	46	37	31	58	60	66

It will be noted that the rates from the Mississippi River crossings to Augusta are 4 cents per 100 pounds less than the rates on the corresponding classes from the Ohio River crossings. This relation of rates from the Ohio and the Mississippi River crossings exists as to nearly all points in Georgia lying within the territory known as Atlanta subterritory.

The location, population, and transportation facilities of Augusta have been described in subdivision F of this report.

The reasons that have been in the main influential in depressing the rates from New Orleans to Augusta are—

First, The desire on the part of carriers serving Augusta from New Orleans of preserving Augusta's distributing area as against its competitors, Savannah and Charleston on the east, and Macon, Atlanta, and Athens on the west.

Second, The desire on the part of carriers serving Augusta from New Orleans to transport articles from western markets to Augusta which came into competition at that point with the same or similar articles transported from eastern cities.

It is unnecessary for the purposes of this report to review the rates from New Orleans to Augusta prior to 1887. In October of that year the following rates were established from New Orleans to Augusta:

103 88 77 64 52 42

With the exception of a short period during the year 1894 these rates continued in effect until February 1, 1905, when, coincident with reductions to Atlanta, they were reduced to their present level.

We have seen in subdivision C of this report that there is no regular all-water service from New Orleans to Augusta, which has necessitated the present level of rates to that point. The competition of other markets of distribution, particularly Savannah, Charleston, Macon, Atlanta, Athens, and Columbia, has had some influence in bringing about the present level of rates to Augusta.

Below are shown the rates from New Orleans to Augusta, Macon, Atlanta, Athens, Savannah, and Charleston:

New Orleans, La., to—	1	2	3	4	5	6
Augusta, Ga.....	99	86	77	61	50	39
Macon, Ga.....	99	86	77	61	50	39
Atlanta, Ga.....	94	83	74	59	48	37
Athens, Ga.....	99	86	77	61	50	39
Savannah, Ga.....	91	76	71	66	54	42
Charleston, S. C.....	91	76	71	66	54	42

It will be seen that articles from New Orleans taking fourth, fifth, or sixth class rates can be distributed by Augusta on an equality of rates to a little more than one-half the distance toward Savannah or Charleston, to a little less than one-half the distance from Augusta toward Atlanta, and to points approximately midway between Augusta and Athens and Macon. Augusta, however, is not a unique point in this respect. Every intermediate point between Augusta and Atlanta desiring to distribute into surrounding territory has its distributing area on the west limited by the territory tributary to Atlanta. Reducing the rates to Augusta in order to enable Augusta to distribute in competition with Atlanta, and refusing to reduce the rates to other intermediate points constitutes undue preference in favor of Augusta and undue discrimination against intermediate points.

The second influence that has operated most powerfully to bring the rates from the west to Augusta to their present level can not be disregarded. The low rates maintained from eastern cities to Augusta brought about by the influence of water competition, have induced the carriers serving western markets of production to depress the rates to Augusta in order to transport goods thereto which come into competition with similar articles transported from eastern markets. This policy of meeting the competition of carriers serving other markets of production has been observed consistently by the carriers serving Augusta without thereby unduly discriminating against higher rated intermediate points. The rates from New Orleans to all points on the Georgia Railroad, Atlanta to Augusta, inclusive, are 4 cents per 100 pounds less than the rates on the corresponding classes from the Ohio River crossings to the same destinations. It is, therefore, evident that as between New Orleans, on the one hand, and the Ohio River crossings, on the other, the policy of meeting the market competition from these distributing centers has been applied alike to competitive and local stations.

Next are shown the rates from New York and New Orleans to Augusta, Social Circle, Buckhead, Crawfordville, and Lithonia, Ga.

80 L. C. C.

	1	2	3	4	5	6
To Augusta, Ga., from—						
New York, N. Y.	96	81	70	59	47	37
New Orleans, La.	99	86	77	61	50	39
Difference in favor of New York	3	5	7	2	3	2
To Lithonia, Ga., from—						
New York, N. Y.	127	112	101	84	69	55
New Orleans, La.	118	108	92	75	61	48
Difference in favor of New Orleans	11	9	9	9	8	7
To Social Circle, Ga., from—						
New York, N. Y.	135	120	108	90	72	57
New Orleans, La.	124	110	99	81	66	50
Difference in favor of New Orleans	11	10	9	9	6	7
To Buckhead, Ga., from—						
New York, N. Y.	133	120	104	88	70	56
New Orleans, La.	123	116	104	85	69	53
Difference in favor of New Orleans	6	4	0	3	1	3
To Crawfordville, Ga., from—						
New York, N. Y.	131	113	98	83	67	52
New Orleans, La.	129	113	100	79	64	52
Difference in favor of New Orleans	2	0	—2	4	3	0

It is seen that although there is not a constant difference between the rates from New York and from New Orleans to all of these intermediate stations, yet it is true that the petitioners herein have more nearly met the competition from New York at the intermediate stations than they have done at Augusta.

(b) Macon, Ga.: The conditions that are alleged to have brought about the depression of rates from New Orleans to Macon are similar in character to those at Augusta. There is no regular all-water service between New Orleans and Macon, and no water service of any character which can be said to have necessitated the present level of rates. The competition of rival distributing markets does not justify a reduction in rates to Macon below a level that can be applied at intermediate points. The competition of eastern markets of supply has been met at Macon as it has at Augusta, but not with the same degree of consistency.

Below are shown the rates to Macon on classes 1 to 6 from New York, the Ohio River cities, and the Mississippi River crossings, and the rates to Upatoi, Howard, Reynolds, and Fort Valley, Ga., four representative intermediate points, from the same points of origin:

	1	2	3	4	5	6
To —						
.....	102	91	81	65	55	43
.....	103	90	81	65	54	43
crossings	99	86	77	61	50	39
To —						
.....	125	111	98	81	67	54
.....	126	110	100	80	66	54
crossings	122	106	96	76	64	50
To —						
.....	125	111	98	81	67	54
.....	137	120	109	90	74	58
crossings	123	116	105	86	70	54
To —						
.....	125	111	98	81	67	54
.....	137	120	109	90	74	58
crossings	123	116	105	86	70	54
To —						
.....	114	96	86	73	60	49
.....	126	112	100	83	68	55
crossings	124	108	98	79	64	51

The rates to Macon from the Ohio River cities are in all instances nearly the same as the rates from New York, while the rates from the Mississippi River crossings are usually 4 cents less per 100 pounds than the rates on the corresponding classes from New York. The rates to intermediate points, however, from both New Orleans and the Ohio River cities are generally higher and in some instances materially higher than the rates on the corresponding classes from New York. In our opinion no sufficient justification has been shown for the maintenance of lower rates from New Orleans to Macon than to intermediate points.

(c) The situation at Columbus, Ga., differs in some degree from the situations at Augusta and Macon. There is a regular all-water service on the Chattahoochee and Apalachicola rivers between Columbus and Apalachicola, and some freight moves by water from New Orleans to Columbus. The present level of rates to Columbus, however, can not be very well said to be due to water competition for the reason that we find that when the rates to Atlanta were reduced in 1905 the rates to Columbus were correspondingly reduced. The testimony is clear that this reduction was not brought about by increased water competition but by entirely different conditions. The two forceful reasons that induced the reductions at Columbus were the competition of markets of distribution and the competition of carriers serving other markets of supply. We have held that the competition between markets of distribution does not constitute a justification for the maintenance of lower rates to a more distant than to an intermediate point. The competition of carriers serving other markets of supply does constitute in our opinion a justification in some instances for making lower rates to more distant than to intermediate points, when it is found—

First, that the route from one market is under a material disadvantage as against that from another,

Second, that the line seeking relief is meeting consistently at all points the competition against which relief is sought. The line from New Orleans to Columbus is 442 miles in length. The constructive mileage of the route from New York to Columbus is 541 miles. It is clear that the route from New Orleans is at no disadvantage as to the competition from eastern cities at Columbus. In the second place, it is not true that the line from New Orleans to Columbus is meeting at intermediate points the competition from New York. The rates from New Orleans to Columbus are the following differentials less than the rates from New York to the same point, namely, 6, 7, 6, 7, 6, 5 cents per 100 pounds on classes 1 to 6, while the rates to Guerryton, Ala., an intermediate point, are as follows:

From New York.....	130	111	98	83	69	56
From New Orleans.....	139	119	104	83	68	54

Guerryton is the high-rate point on the route from New Orleans and is one of the high-rate points on the route from New York. It is obvious that the competition of the routes from eastern cities met at Columbus has not been met at stations intermediate to Columbus on the route from New Orleans. Under the circumstances above described, the conclusion is warranted that the present level of rates from New Orleans to Columbus has not been necessitated by the competition of eastern carriers or by water competition, and that the maintenance of such rates to Columbus and higher rates to intermediate stations constitutes undue preference to Columbus and undue discrimination against intermediate points.

(d) Albany, Ga.: The situation at Albany differs to some extent from that at Columbus. Such water competition as exists at that point does not exercise a controlling influence upon the rates. The primary reason for the depression in rates from New Orleans to Albany is the competition of other distributing centers. We have held in subdivision G that justification does not exist for the maintenance of lower rates to Albany from the east than to intermediate points. We are of the opinion that justification has not been shown for making lower rates to that point from New Orleans than to intermediate points.

(e) Montgomery and Selma, Ala.: Inasmuch as these two points are on the same river, are approximately the same distance from New Orleans, are served by the same railroad, and take exactly the same rates, they will be considered together.

The rates from New Orleans to these two cities went through many changes prior to the year 1896 which it is unnecessary to recount. In October, 1896, the following rates were established:

89	79	68	55	47	36
----	----	----	----	----	----

The fifth-class rate was reduced in 1908 from 47 to 46 cents, but no other changes were made in the rates on the first six classes until April 15, 1910, when the present scale of rates was adopted, namely:

89	77	55	42	35	35
----	----	----	----	----	----

The establishment of these rates was the result of an opinion and order of the Commission in the case of the *New Orleans Board of Trade v. L. & N. R. R. Co.*, 17 I. C. C., 231. This case originated on account of an advance in rates from New Orleans to Mobile and Pensacola. The rates from New Orleans to Montgomery, Prattville, and Selma, Ala., were higher on certain classes than the aggregate of the intermediate rates to and from Mobile and Pensacola. August 13, 1907, the Louisville & Nashville Railroad Company advanced the rates from New Orleans to Mobile and Pensacola to the extent necessary to make the aggregate of these rates, together with the

local rates therefrom, equal to the through rates. The Commission held this advance not justified, and the increased rates resulting therefrom unjust and unreasonable to the extent that they exceeded the rates in effect prior to August 13, 1907. The Commission further held the through rates from New Orleans via Mobile to Montgomery, Selma, and Prattville unjust and unreasonable to the extent that they exceeded the aggregate of the rates to and from Mobile. The record in the present case shows considerable movement of freight to Montgomery and Selma by boats on the Alabama River. This freight consisted in the main of grain and grain products and general merchandise. It is, however, clear that the present level of rates from New Orleans to Montgomery and Selma has not been brought about by water competition, but by the order of this Commission in an effort to establish rates which, under all the circumstances of the case, are deemed reasonable and just.

2. Are the rates from New Orleans to the river points, Augusta, Macon, Columbus, Albany, Montgomery, and Selma, subnormal?

Below are shown the rates and distances from New Orleans to each of the six points above named:

New Orleans, La., to—	Miles.	1	2	3	4	5	6
Augusta, Ga.....	664	99	86	77	61	50	39
Macon, Ga.....	542	99	86	77	61	50	39
Columbus, Ga.....	442	99	86	77	61	50	39
Albany, Ga.....	482	119	103	92	74	61	48
Montgomery, Ala.....	318	89	77	55	42	35	35
Selma, Ala.....	311	89	77	55	42	35	35

The rates to Augusta, Macon, and Columbus are materially lower than the average rates made for like distances to noncompetitive points in this territory, as shown from Exhibit No. 117, and may fairly be considered subnormal. The rates to Albany, however, correspond with reasonable approximation to the average rates made for like distances over two-line hauls to noncompetitive points and do not appear subnormal.

The rates to Montgomery and Selma are something less than the average rates for like distances in this territory over one-line hauls, but in the case above cited the Commission has given consideration to all the circumstances and conditions under which these rates are made, and under such circumstances has held these rates to be reasonable and just. In the light of this finding they can not be considered subnormal.

3. There is nothing in the record to lead to the conclusion that any of the rates on either classes or commodities made to any of these six points pay less than the additional cost of handling.

4. Are the rates to intermediate points unreasonable?

(a) On the route to Augusta the rates to points between Montgomery and Atlanta are discussed in subdivision K of this report. The rates to stations on the Georgia Railroad between Atlanta and Augusta reach a maximum at Buckhead, Ga., 589 miles from New Orleans. The rates to Buckhead are—

132 116 104 85 69 53

These rates are approximately the average rates made over two-line hauls for like distances, as shown from Exhibit No. 117, and in the absence of complaint with reference to these rates they should not be considered unreasonable.

(b) On the route to Macon the rates to stations on the Central of Georgia Railway between Columbus and Macon reach a maximum at Butler, Ga., 492 miles from New Orleans. The rates to Butler are—

137 120 108 89 73 55

These rates are considerably in excess of the average rates made for distances of 500 miles in this territory as shown from Exhibit No. 117. These average rates are—

120 104 92 76 64 52

We are of the opinion that the rates from New Orleans to stations intermediate to Macon are unreasonably discriminatory to the extent that they exceed the rates concurrently maintained to Macon.

(c) On the route to Columbus the high-rate point is Guerrinton, Ala., 363 miles from New Orleans. The rates from New Orleans to Guerrinton are—

139 119 104 83 68 54

These rates materially exceed the average rates in this territory over two-line hauls for like distances. We are of the opinion that any rates to these intermediate points that exceed the rates concurrently maintained to Columbus are unduly discriminatory.

(d) We have seen in section 2 of this subdivision that the rates from New Orleans to Albany are but very little below the average rates made over two-line hauls for like distances in this territory.

We are of the opinion that the rates to intermediate stations on the Central of Georgia Railway between Montgomery and Albany should be corrected in such manner that they will not exceed the contemporaneous rates to Albany.

(e) On the routes from New Orleans to Montgomery and Selma the line is the Louisville & Nashville Railroad. The rates to Montgomery and Selma have been established by the Commission as reasonable rates, and there is no justification for carrying higher rates to intermediate points.

SUBDIVISION I.

RATES FROM CINCINNATI, OHIO, AND LOUISVILLE, KY., TO POINTS ON NAVIGABLE RIVERS.

1. Cincinnati to Augusta.

Route: Cincinnati, New Orleans & Texas Pacific Railway, Cincinnati to Harriman Junction, Tenn.; Southern Railway to Spartanburg, S. C.; Charleston & Western Carolina Railway to Augusta; 642 miles.

Rates: The rates to intermediate stations on this line north of Spartanburg, S. C., have been shown in section 2 of subdivision D of this report in connection with the route from Cincinnati to Charleston. The rates to all stations on the Charleston & Western Carolina Railway, Spartanburg to the first station north of Augusta, are blanketed with rates of—

116 107 86 67 55 50

The rates from Cincinnati to Augusta are—

103 90 81 65 54 43

2. Rates from Louisville to Augusta.

Route: Louisville & Nashville Railroad to Nashville; Nashville, Chattanooga & St. Louis Railway to Atlanta; Georgia Railroad to Augusta; 650 miles.

The rates to intermediate stations on this route are shown in section 1 of subdivision D of this report.

3. Rates from Louisville to Macon.

Route: Louisville & Nashville Railroad to Birmingham; Central of Georgia Railway, Birmingham to Macon; 647 miles.

Rates: The rates to stations on the Louisville & Nashville Railroad north of Birmingham are shown in section 5 of subdivision D.

Below are shown the rates to stations on the Central of Georgia Railway, Birmingham to Macon, inclusive:

Louisville, Ky., to—	1	2	3	4	5	6
Birmingham, Ala.....	79	69	58	47	40	30
Henry Ellen, Ala.....	104	89	76	62	53	41
Sterretts, Ala.....	114	97	84	67	58	44
Caldis, Ala.....	117	99	86	68	59	45
Vincent, Ala.....	117	99	85	68	59	45
Childersburg, Ala.....	118	101	80	69	60	46
Sylacauga, Ala.....	106	85	64	61	57	46
Rollins, Ala.....	127	103	80	73	63	49
Goodwater, Ala.....	133	108	85	75	63.5	49
Kellyton, Ala.....	136	110	88	79	64.5	50
Alexander City, Ala.....	141	117	90	80	66	51
Jacksons Gap, Ala.....	141	117	94	81	68	53
Dadeville, Ala.....	138	118	98	82	68	53
Camp Hill, Ala.....	134	115	100	83	69	53
Waverly, Ala.....	127	110	99	80	67	53
Gold Ridge, Ala.....	124	108	97	77	65	53
Opelika, Ala.....	103	90	81	65	54	43
Salem, Ala.....	124	108	97	77	65	53
Bleaker, Ala.....	127	110	99	80	67	54
Smiths, Ala.....	124	108	97	77	65	53
Phoenix City, Ala. and Columbus, Ga.....	103	90	81	65	54	43

Louisville, Ky., to—	1	2	3	4	5	6
Upatoi, Ga.....	146	110	100	80	68	64
Box Springs, Ga.....	131	115	104	85	70	57
Geneva, Ga.....	116	116	105	86	72	57
Peach, Ga.....	125	119	107	89	73	60
Howard, Ga.....	137	120	109	90	74	60
Butler, Ga.....	141	124	112	93	77	60
Reynolds, Ga.....	137	120	109	90	74	58
Fort Valley, Ga.....	128	112	100	83	68	55
Powersville, Ga.....	128	113	101	83	69	54
Byron, Ga.....	126	110	100	80	68	54
Macon, Ga.....	103	90	81	65	54	49

4. Rates from Cincinnati to Macon.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Southern Railway through Rome and Atlanta to Macon; 580 miles.

The rates to intermediate stations on this line are shown in section 8 of subdivision D.

5. Rates from Cincinnati to Columbus.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Southern Railway through Rome, Atlanta, and McDonough, to Columbus, Ga.; 618 miles.

Rates: The rates to intermediate stations on this line north of McDonough are shown in section 8 of subdivision D.

Below are shown the rates from Cincinnati to all stations on the Southern Railway, McDonough to Columbus:

Cincinnati, Ohio, to—	1	2	3	4	5	6
.....	128	113	102	84	70	56
.....	131	116	104	87	71	56
.....	132	117	106	88	72	56
.....	134	120	108	89	73	57
.....	125	111	100	83	68	53
.....	134	120	100	80	73	57
.....	136	121	109	91	75	57
.....	128	123	111	92	76	59
.....	129	125	112	93	76	59
.....	141	124	112	93	77	59
.....	139	123	111	91	76	59
.....	137	120	109	90	74	58
.....	136	119	107	89	73	58
.....	133	116	105	86	72	57
.....	131	115	104	85	70	57
.....	128	113	101	83	68	56
.....	126	110	100	80	68	54
.....	123	108	97	78	63	53
.....	118	104	94	75	63	51
.....	113	100	91	73	61	49

6. Rates from Louisville to Columbus.

Route: Louisville & Nashville Railroad to Birmingham; Central of Georgia Railway, Birmingham to Columbus; 547 miles.

The rates to intermediate stations on this line are shown in section 3 of this subdivision.

7. Rates from Cincinnati to Albany, Ga.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Southern Railway to Macon; Georgia Southern & Florida Railway to Cordele, Ga.; Georgia Southwestern & Gulf Railroad to Albany, Ga.; 680 miles.

Rates: The rates to stations north of Macon, are shown in section 8 of subdivision D.

Below are shown the rates to stations on the Georgia Southern & Florida Railway and Georgia Southwestern & Gulf Railroad, Macon to Albany, Ga.:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Macon, Ga.....	103	90	81	65	54	43
Sofkee, Ga.....	118	104	94	75	63	51
Avondale, Ga.....	123	108	97	79	65	53
Elberta, Ga.....	126	110	100	80	68	54
Bonaire, Ga.....	128	113	101	83	67	56
Kathleen, Ga.....	131	115	104	85	70	57
Tivola, Ga.....	133	116	105	86	72	57
Grovania, Ga.....	133	119	107	89	73	58
Elko, Ga.....	137	120	109	90	74	58
Unadilla, Ga.....	139	123	111	91	75	59
Pinehurst, Ga.....	141	124	112	93	77	59
Vienna, Ga.....	143	125	112	91	76	61
Richwood, Ga.....	138	121	109	88	74	60
Cordele, Ga.....	133	107	96	78	65	52
Milldale, Ga.....	141	124	111	90	76	61
Williams Still, Ga.....	147	128	116	93	79	64
Warwick to Philena, Ga., inclusive.....	150	131	119	96	82	66
Walters, Ga.....	147	128	116	93	79	64
Smiths, Ga.....	141	124	111	90	76	61
Albany, Ga.....	123	107	96	78	65	52

8. Rates from Louisville to Albany, Ga.

Route: Louisville & Nashville Railroad to Montgomery; Seaboard Air Line Railway to Albany; 650 miles.

Rates: The rates to stations on this line north of Richland, Ga., are shown in section 5 of subdivision D.

The rates to stations on the Seaboard Air Line Railway Richland to Albany are shown below:

Louisville, Ky., to—	1	2	3	4	5	6
Richland, Ga.....	137	120	109	90	74	58
Kimbrough, Ga.....	139	123	111	91	75	59
Weston, Ga.....	141	124	112	93	77	59
Parrotts, Ga.....	143	125	112	91	76	61
Sasser, Ga.....	138	121	109	88	74	60
Albany, Ga.....	123	107	96	78	65	52

9. Rates from Cincinnati to Montgomery.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Southern Railway to Atlanta; Atlanta & West Point Railroad and Western Railway of Alabama to Montgomery; 667 miles.

Rates: The rates to stations on this route north of Atlanta are shown in section 8 of subdivision D.

Below are shown the rates from Cincinnati to the stations on the Atlanta & West Point Railroad and the Western Railway of Alabama Atlanta to Montgomery:

Cincinnati, Ohio, to—	1	2	3	4	5	6
.....	98	87	78	63	52	41
.....	114	101	91	73	61	49
.....	116	103	93	75	63	50
.....	118	105	94	77	64	51
.....	120	107	96	79	65	52
.....	122	109	97	80	66	52
.....	124	110	98	82	67	53
.....	125	111	100	83	68	53
.....	127	113	102	84	69	54
.....	128	114	103	85	70	54
.....	130	116	104	86	71	55
.....	131	117	105	87	71	55
.....	123	119	106	88	72	56
.....	134	120	107	89	73	56
.....	134	120	107	88	72	56
.....	135	119	107	88	73	57
.....	131	116	106	85	67	52
.....	128	113	102	83	65	50
.....	125	110	99	81	63	50
.....	123	108	97	78	61	49
.....	113	100	91	73	51	40
.....	123	108	97	78	66	52
.....	125	110	99	81	68	54
.....	128	113	102	83	69	56
.....	135	119	107	85	70	58
.....	143	119	106	84	69	57
.....	130	116	104	83	68	56
.....	126	113	102	82	67	55
.....	123	109	99	80	65	54
.....	120	107	96	78	64	53
.....	118	105	94	76	62	50
.....	108	97	88	66	57	47

10. Rates from Louisville to Montgomery.

Route: Louisville & Nashville Railroad; 491 miles.

The rates to intermediate stations on this line are shown in section 5 of subdivision D.

11. Rates from Cincinnati to Selma.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Alabama Great Southern Railroad to Birmingham; Southern Railway to Selma; 590 miles.

Rates: Below are shown the rates from Cincinnati to all stations on the Southern Railway Birmingham to Selma:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Birmingham, Ala.....	89	79	68	55	47	36
Mobile Junction, Ala.....	117	103	90	75	64	49
Genery, Ala.....	123	107	94	78	67	50
Gurnee Junction, Ala.....	114	96	77	70	63	50
Superior, Ala.....	127	111	96	82	71	62
Maylene, Ala.....	131	115	102	86	75	64
Aldrich, Ala.....	129	110	98	81	72	64
Wilton, Ala.....	131	115	102	86	75	64
Brierfield, Ala.....	129	113	92	83	72	64
Ashby, Ala.....	135	114	94	85	77	66
Randolph, Ala.....	139	118	96	88	80	68
Maplesville, Ala.....	121	110	96	86	74	63
Stanton, Ala.....	142	125	112	95	77	60
Vine Hill, Ala.....	136	121	110	90	74	60
Fremont, Ala.....	136	121	110	90	74	60
Burnsville, Ala.....	132	117	106	86	71	59
Selma, Ala.....	108	97	88	70	57	47

12. Rates from Louisville to Selma.

Route: Louisville & Nashville Railroad to Montgomery; Western Railway of Alabama to Selma; 541 miles.

Rates: Below are shown the rates from Louisville to stations on the Western Railway of Alabama Montgomery to Selma:

Louisville, Ky., to—	1	2	3	4	5	6
Montgomery, Ala.....	98	87	78	62	50	41
Burkeville, Ala.....	120	107	96	78	64	52
Robinsons, Ala.....	123	110	99	80	65	54
Whitehall, Ala.....	126	113	102	82	67	55
Benton, Ala.....	123	110	99	80	65	54
Tyler, Ala.....	120	107	96	78	64	52
Selma, Ala.....	98	87	78	62	50	41

13. Rates from Cincinnati to Chattanooga.

Route: Cincinnati, New Orleans & Texas Pacific Railway; 338 miles.

Rates: Below are shown the rates from Cincinnati to representative stations on the Cincinnati, New Orleans & Texas Pacific Railway between Cincinnati and Chattanooga:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Glen Mary, Tenn.....	67	58	55	41	35	29
Landing, Tenn.....	70	62	57	43	37	29
Harriman Junction, Tenn.....	76	65	57	47	40	30
Chattanooga, Tenn.....	70	60	53	44	38	29

14. Rates from Louisville to Chattanooga.

Route: Louisville & Nashville Railroad to Nashville; Nashville, Chattanooga & St. Louis Railway to Chattanooga; 337 miles.

Rates: Below are shown the rates from Louisville to representative stations on the Nashville, Chattanooga & St. Louis Railway between Nashville and Chattanooga:

Louisville, Ky., to—	1	2	3	4	5	6
Murfreesboro, Tenn.....	63	54	46	40	34	30
Winsted, Tenn.....	68	58	50	43	37	33
Fosterville, Tenn.....	69	59	51	44	38	34
Bellbuckle, Tenn.....	70	60	52	45	39	35
Wartrace, Tenn.....	72	61	53	46	40	36
Haley, Tenn.....	73	63	55	48	42	38
Cortner, Tenn.....	73	63	55	48	42	38
Tullahoma, Tenn.....	76	66	58	51	44	39
Estill Springs, Tenn.....	78	68	60	53	45	40
Decherd, Tenn.....	80	70	62	54	46	40
Rockledge, Tenn.....	83	73	65	56	48	40
Bass, Ala.....	87	77	68	58	48	40
Stevenson, Ala.....	88	78	68	58	48	40
Carpenter, Ala.....	88	78	68	58	51	44
Shellmound, Ala.....	88	78	68	58	51	43
Ladd, Tenn.....	88	78	68	58	51	42
Hooker, Tenn.....	88	78	68	58	51	40
Wauhatchie, Tenn.....	88	79	68	58	50	39
Chattanooga, Tenn.....	70	60	53	44	38	29

THE DEFENSE.

The defense of the carriers for the maintenance of lower rates from Cincinnati and Louisville to Augusta, Macon, Columbus, Albany, Montgomery, Selma, and Chattanooga than are concurrently applicable on like traffic to intermediate points rests upon the following grounds:

1. It is alleged that the rates to each of the river points named have been depressed through the influence of water competition, rail competition, competition of markets of distribution, and competition of markets of supply.

2. That they are subnormal.

3. That they pay more than the additional cost of handling.

4. That the rates to the intermediate points are not unreasonable.

(a) Augusta, Ga.: Augusta takes the same rates from all the Ohio River crossings, including Louisville and Cincinnati. It is 642 miles from Cincinnati and 650 miles from Louisville. While there is a possible all-water route via the Ohio and Mississippi rivers, the Gulf of Mexico, Atlantic Ocean, and the Savannah River from each of these Ohio River crossings to Augusta, there is no testimony to indicate that any freight ever moves all-water or that this route has any effect whatever in influencing the level of rates at Augusta. The testimony shows, however, that the trunk lines operating through the north Atlantic ports and by ocean steamers thence furnish a rail-and-water service to Augusta that has a material effect upon the rates to that point.

The rates from various points north of the Ohio River on a number of representative commodities are lower by the north Atlantic ports and ocean thence to Savannah or Charleston, and rail thence to Augusta, than by the all-rail lines operating through the Ohio River cities. Among these commodities are starch and telephone and telegraph cable from Chicago; woven wire fencing from Pittsburgh, Pa., and Youngstown, Ohio; special iron and steel articles from Erie and Pittsburgh and Youngstown; and dried beans from Michigan. The testimony shows that a material amount of the freight, particularly of the heavier articles moving from the Ohio River cities and the points north thereof to Augusta, now moves by the north Atlantic ports and ocean. This movement is increasing, and any material increase in the all-rail rates will have the effect of diverting to other routes a larger percentage of the traffic.

The competition of Augusta as a distributing market as against Savannah, Charleston, Macon, Athens, and Atlanta has had an important influence in depressing the rates to Augusta. Another potent cause for the depression of rates to Augusta from the Ohio River cities is the competition of carriers serving eastern markets of supply.

The rates from New York City to Augusta have been depressed through the competition of steamers on the Atlantic Ocean and the Savannah River. The low level of rates from the eastern cities to Augusta has induced a correspondingly low level of rates from the west. In meeting this competition of eastern carriers at Augusta by the western carriers it has been done consistently by meeting such competition not only at Augusta but at all intermediate points.

We are of the opinion that the present level of rates from the Ohio River cities to Augusta has been and is now but little lower than the actual competition has necessitated.

(b) The rates from Louisville and Cincinnati to Macon have been influenced by the rates made over the rail and water routes through the north Atlantic ports, by the competition of carriers serving other distributing markets, notably Columbus, Atlanta, and Augusta, and by the competition of carriers serving Macon from the eastern cities. The testimony shows that the rates on a number of representative commodities from points north of the Ohio River to Macon via north Atlantic ports are lower than the all-rail rates via the Ohio River cities, and that an important tonnage, particularly of the heavier articles, is moving by the ocean and rail routes. It is earnestly represented by the testimony and urged through briefs that the rates from the Ohio River cities to Macon are in a large measure controlled by the competition of the carriers serving the eastern cities.

The rates on the first six classes from New York to Macon are almost exactly the same as the rates from the Ohio River. The rates from the Ohio River, however, to stations between Macon and Columbus are considerably in excess of the rates to the corresponding stations from New York. Of these points Paschal, Ga., is a representative point with rates from New York of—

	125	111	98	81	67	54
from Louisville,	136	119	107	89	73	58

It is evident that the carriers, though meeting at Macon the competition felt at that point, by the maintenance of a parity of rates between the west and the east, have not considered it necessary to maintain any such parity in the rates made to intermediate points. The competition of the eastern carriers is not met at these points and undue discrimination must result.

In the maintenance of rates from Cincinnati to Macon, the rates to all intermediate points between Atlanta and Macon are practically on a parity with the rates from the east except at McDonough, Ga. The rates to McDonough from New York are—

	114	98	86	73	60	49
from Cincinnati—	128	113	102	84	70	55
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THE DEFENSE.

The defense of the carriers for the maintenance of lower rates from Cincinnati and Louisville to Augusta, Macon, Columbus, Albany, Montgomery, Selma, and Chattanooga than are concurrently applicable on like traffic to intermediate points rests upon the following grounds:

1. It is alleged that the rates to each of the river points named have been depressed through the influence of water competition, rail competition, competition of markets of distribution, and competition of markets of supply.

2. That they are subnormal.

3. That they pay more than the additional cost of handling.

4. That the rates to the intermediate points are not unreasonable.

(a) Augusta, Ga.: Augusta takes the same rates from all the Ohio River crossings, including Louisville and Cincinnati. It is 642 miles from Cincinnati and 650 miles from Louisville. While there is a possible all-water route via the Ohio and Mississippi rivers, the Gulf of Mexico, Atlantic Ocean, and the Savannah River from each of these Ohio River crossings to Augusta, there is no testimony to indicate that any freight ever moves all-water or that this route has any effect whatever in influencing the level of rates at Augusta. The testimony shows, however, that the trunk lines operating through the north Atlantic ports and by ocean steamers thence furnish a rail-and-water service to Augusta that has a material effect upon the rates to that point.

The rates from various points north of the Ohio River on a number of representative commodities are lower by the north Atlantic ports and ocean thence to Savannah or Charleston, and rail thence to Augusta, than by the all-rail lines operating through the Ohio River cities. Among these commodities are starch and telephone and telegraph cable from Chicago; woven wire fencing from Pittsburgh, Pa., and Youngstown, Ohio; special iron and steel articles from Erie and Pittsburgh and Youngstown; and dried beans from Michigan. The testimony shows that a material amount of the freight, particularly of the heavier articles moving from the Ohio River cities and the points north thereof to Augusta, now moves by the north Atlantic ports and ocean. This movement is increasing, and any material increase in the all-rail rates will have the effect of diverting to other routes a larger percentage of the traffic.

The competition of Augusta as a distributing market as against Savannah, Charleston, Macon, Athens, and Atlanta has had an important influence in depressing the rates to Augusta. Another potent cause for the depression of rates to Augusta from the Ohio River cities is the competition of carriers serving eastern markets of supply.

The rates from New York City to Augusta have been depressed through the competition of steamers on the Atlantic Ocean and the Savannah River. The low level of rates from the eastern cities to Augusta has induced a correspondingly low level of rates from the west. In meeting this competition of eastern carriers at Augusta by the western carriers it has been done consistently by meeting such competition not only at Augusta but at all intermediate points.

We are of the opinion that the present level of rates from the Ohio River cities to Augusta has been and is now but little lower than the actual competition has necessitated.

(b) The rates from Louisville and Cincinnati to Macon have been influenced by the rates made over the rail and water routes through the north Atlantic ports, by the competition of carriers serving other distributing markets, notably Columbus, Atlanta, and Augusta, and by the competition of carriers serving Macon from the eastern cities. The testimony shows that the rates on a number of representative commodities from points north of the Ohio River to Macon via north Atlantic ports are lower than the all-rail rates via the Ohio River cities, and that an important tonnage, particularly of the heavier articles, is moving by the ocean and rail routes. It is earnestly represented by the testimony and urged through briefs that the rates from the Ohio River cities to Macon are in a large measure controlled by the competition of the carriers serving the eastern cities.

The rates on the first six classes from New York to Macon are almost exactly the same as the rates from the Ohio River. The rates from the Ohio River, however, to stations between Macon and Columbus are considerably in excess of the rates to the corresponding stations from New York. Of these points Paschal, Ga., is a representative point with rates from New York of—

	125	111	98	81	67	54
from Louisville,	136	119	107	89	73	58

It is evident that the carriers, though meeting at Macon the competition felt at that point, by the maintenance of a parity of rates between the west and the east, have not considered it necessary to maintain any such parity in the rates made to intermediate points. The competition of the eastern carriers is not met at these points and undue discrimination must result.

In the maintenance of rates from Cincinnati to Macon, the rates to all intermediate points between Atlanta and Macon are practically on a parity with the rates from the east except at McDonough, Ga. The rates to McDonough from New York are—

	114	98	86	73	60	49
from Cincinnati—	128	113	102	84	70	55
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The rates from New York to McDonough are the rates which prior to 1905 were applied to Atlanta and many other competitive points in Georgia. The reductions made to Atlanta in 1905 were not made to McDonough. McDonough was reduced to the Atlanta basis by the East Tennessee & Georgia Railroad extending from Brunswick through McDonough to Bristol, Tenn. McDonough was a junction point between the last-named railroad and the Georgia Midland & Gulf Railroad extending from McDonough to Columbus, Ga., through Griffin. Both of these roads have since been absorbed by the Southern Railway, and that carrier has continued the rates to McDonough from the east which it may be said to have inherited from its predecessor. As the rates now stand there is no present competitive necessity for their continuance. They are unduly preferential, inconsistent, and out of line with rates to other points similarly situated.

(c) The rates from Louisville and Cincinnati to Columbus have been influenced by the water routes available via the Ohio and Mississippi rivers, the Gulf of Mexico, and the Apalachicola and Chattahoochee rivers. They have been brought to their present level by the combined influence of water competition, competition of other markets of distribution, and the competition of the eastern carriers. The record shows an active steamboat service on the rivers from Apalachicola to Columbus and a movement of considerable freight by boats to that point. This freight originates at various points along the Gulf coast, the Mississippi River, and as far north as Chicago. The competition of the eastern carriers at Columbus is met by the western carriers at that point operating from Louisville as shown by the rates to Columbus, Ga., from—

New York, N. Y....	105	93	83	68	56	44
Louisville, Ky.....	103	90	81	65	54	43

It is seen that the carriers from Louisville more than meet the rates from New York. The rates to intermediate points between Birmingham and Columbus are in some instances higher than, but in most instances correspond at the high rated points with, the rates to the corresponding points from New York. The rates from Cincinnati to Columbus are higher than the rates from New York by 8, 7, 8, 5, 5, and 5 cents per 100 pounds on classes one to six. The rates from Cincinnati, however, to points between Atlanta and Columbus are not higher than the rates from New York on the corresponding classes to the same destinations.

(d) Albany, Ga. The situation at Albany differs in some degree from that at Columbus. We have seen in subdivision G that such water competition as exists at that point is rather inconsequential in character and in no sense controlling. We have held in the same

subdivision that justification does not exist for the maintenance of lower rates to Albany from eastern cities than are maintained at intermediate points. The reasons that have brought about the present level of rates to Albany from the Ohio River cities are the competition of eastern carriers serving Albany and the competition of other nearby distributing centers. No justification exists for making lower rates to Albany from the Ohio River cities than are accorded to intermediate points.

(e) Montgomery and Selma, Ala. The rates from the Ohio River crossings to Montgomery and Selma have been depressed through the combined influence of water, rail, and market competition. The primary cause, however, for the present level of rates from the Ohio River cities to these points is the water competition on the Alabama River. The low rates from the Ohio River to Mobile and the water rates from Mobile to Montgomery and Selma produce totals that can not be greatly exceeded by the direct all-rail lines. The class rates from the Ohio River to both Montgomery and Selma are slightly less than the combination rates that can be obtained by adding the rates to Mobile to the water rates from Mobile to these points. There are approximately 350 special commodity rates from the Ohio River cities and St. Louis to these points. Of these commodity rates approximately 10 per cent are in excess of the combination rates made by taking rail rates to Mobile and adding thereto the water rates to Montgomery.

As the rates now stand the testimony is fairly convincing that they represent practically all that the carriers can get out of the traffic, and that any material increase in these rates would have the effect of diverting a substantial amount of traffic from the rail lines.

(f) Chattanooga, Tenn. Chattanooga is located on the Tennessee River 338 miles south of Cincinnati, 337 miles southeast of Louisville, 151 miles south of Nashville, and 313 miles east of Memphis. The city had a population in 1910 of 44,604. It is served by the following named railroads: Alabama Great Southern Railroad; Central of Georgia Railway; Cincinnati, New Orleans & Texas Pacific Railway; Nashville, Chattanooga & St. Louis Railway; Southern Railway; Tennessee, Alabama & Georgia Railroad; and Western & Atlantic Railroad.

The present level of rates from Cincinnati and Louisville to Chattanooga is the direct result of an opinion and order of the Commission in the case of *Receivers & Shippers Asso. of Cincinnati v. O., N. O. & T. P. Ry.*, 18 I. C. C., 440. In that case the Commission found the rates from Cincinnati to Chattanooga unreasonable. * These rates on the first six classes were as follows:

76	65	57	47	40	30
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The rates from New York to McDonough are the rates which prior to 1905 were applied to Atlanta and many other competitive points in Georgia. The reductions made to Atlanta in 1905 were not made to McDonough. McDonough was reduced to the Atlanta basis by the East Tennessee & Georgia Railroad extending from Brunswick through McDonough to Bristol, Tenn. McDonough was a junction point between the last-named railroad and the Georgia Midland & Gulf Railroad extending from McDonough to Columbus, Ga., through Griffin. Both of these roads have since been absorbed by the Southern Railway, and that carrier has continued the rates to McDonough from the east which it may be said to have inherited from its predecessor. As the rates now stand there is no present competitive necessity for their continuance. They are unduly preferential, inconsistent, and out of line with rates to other points similarly situated.

(c) The rates from Louisville and Cincinnati to Columbus have been influenced by the water routes available via the Ohio and Mississippi rivers, the Gulf of Mexico, and the Apalachicola and Chattahoochee rivers. They have been brought to their present level by the combined influence of water competition, competition of other markets of distribution, and the competition of the eastern carriers. The record shows an active steamboat service on the rivers from Apalachicola to Columbus and a movement of considerable freight by boats to that point. This freight originates at various points along the Gulf coast, the Mississippi River, and as far north as Chicago. The competition of the eastern carriers at Columbus is met by the western carriers at that point operating from Louisville as shown by the rates to Columbus, Ga., from—

New York, N. Y....	105	93	83	68	56	44
Louisville, Ky.....	103	90	81	65	54	43

It is seen that the carriers from Louisville more than meet the rates from New York. The rates to intermediate points between Birmingham and Columbus are in some instances higher than, but in most instances correspond at the high rated points with, the rates to the corresponding points from New York. The rates from Cincinnati to Columbus are higher than the rates from New York by 8, 7, 8, 5, 5, and 5 cents per 100 pounds on classes one to six. The rates from Cincinnati, however, to points between Atlanta and Columbus are not higher than the rates from New York on the corresponding classes to the same destinations.

(d) Albany, Ga. The situation at Albany differs in some degree from that at Columbus. We have seen in subdivision G that such water competition as exists at that point is rather inconsequential in character and in no sense controlling. We have held in the same

rates from Cincinnati to Selma and Montgomery are approximately equal to the average rates made over two-line hauls of 400 miles. The rates to Chattanooga from both Louisville and Cincinnati are evidently less than the average rates for like distances to noncompetitive points in the southern territory. In comparison with rates to noncompetitive points in southern territory, the rates from the Ohio River crossings to all of the seven river points named may be considered as subnormal.

They all without doubt pay more than the additional cost of handling.

Are the rates to the intermediate points unreasonable?

(a) The rates from Cincinnati to stations on the Charleston & Western Carolina Railroad intermediate to Augusta are blanket rates covering a territory approximately 200 miles in width. The center of this blanket is about 550 miles from Cincinnati. The rates to all stations so blanketed are—

116 107 86 67 55 50

These rates are markedly less than average rates over two-line hauls for like distances in this territory, as shown from Exhibit No. 117.

The rates from Louisville to stations on the Georgia Railroad between Atlanta and Augusta reach a maximum at Buckhead, Ga., 554 miles from Louisville. The rates to Buckhead are—

136 120 108 89 73 57

Average rates made over two-line hauls for 550 miles in this territory, as shown from Exhibit No. 117, are—

128 112 99 83 69 56

The rates to Buckhead are considerably higher than these average rates. No reason is shown in this record that justifies the maintenance of a higher scale to these points. We are of the opinion that so long as lower rates are maintained to more distant points the rates from Louisville to Buckhead and other points in the same vicinity are unjustly discriminatory to the extent that they exceed the average rates made over two-line hauls in this territory for like distances, as shown from Exhibit No. 117.

(b) On the route, Cincinnati to Macon, the rates to stations north of Atlanta are discussed in subdivision L of this report. South of Atlanta the route is over the Southern Railway. The rates reach a maximum at Bibb, Ga., 540 miles from Cincinnati. The rates to Bibb are—

136 120 109 90 74 57

The rates to Bibb compare closely with the rates to Buckhead on the Georgia Railroad. The distances are approximately the same, and the same conclusion should be expressed concerning the rates to Bibb as has just been stated with reference to the rates to Buckhead.

The route from Louisville to Macon is through Birmingham and Columbus. The rates to stations north of Birmingham are discussed in subdivision L. The rates to stations between Birmingham and Columbus are discussed in paragraph *c* of this subdivision. The rates to stations between Columbus and Macon reach a maximum at Butler, Ga., 597 miles from Louisville. The rates to Butler are—

141 124 112 93 77 59

Average rates over two-line hauls for 600 miles as shown from Exhibit No. 117 are—

131 114 101 85 70 58

We have seen that the principal reason for the level of rates now maintained from Cincinnati and Louisville to Macon is the competition of the eastern carriers met at that point. We have stated that the carriers in seeking to meet this competition must do so consistently by meeting in the same degree the competition found at intermediate points. Inasmuch as the rates from Louisville to Macon do not exceed the rates from New York to that point, the rates from Louisville to stations between Columbus and Macon should not exceed the rates from New York to the same stations. The highest rates from New York to any of these intermediate stations are—

125 111 98 81 67 54

To the extent that these rates from Louisville to intermediate stations between Columbus and Macon exceed the figures just named they are unjustly discriminatory and should be corrected. One of these intermediate stations is Fort Valley, Ga., taking rates from New York of—

114 98 86 73 60 49

These are the rates that applied to Atlanta prior to 1905, and their history is similar to the history of the rates to McDonough, Ga., heretofore described. There is no present competitive reason for the maintenance of these rates to Fort Valley. They have the effect of constituting undue preference to that point and undue prejudice against other points.

(*c*) The rates from Cincinnati to stations between McDonough, Ga., and Columbus reach a maximum at Woodbury, Ga., 51 miles north of Columbus and 567 miles from Cincinnati. The rates to Woodbury are—

141 124 112 93 77 59

These rates exceed the average rates for like distances over two-line hauls, as shown from Exhibit No. 117, by 13, 12, 13, 10, 8, and 3 cents per 100 pounds on classes one to six. If lower rates are continued to Columbus, the rates to Woodbury and to all stations on the line from McDonough to Columbus must not exceed the average rates for like distances over two-line hauls as shown from Exhibit No. 117.

The rates from Louisville to stations between Birmingham and Columbus reach a maximum at Dadeville, Ala., 488 miles from Louisville. The rates to Dadeville are—

138 118 98 82 68 53

The rates to Dadeville and other stations in the same vicinity exceed by substantial amounts the average rates made over two-line hauls for like distances as shown from Exhibit No. 117, and to the extent that they exceed such average rates we consider them unreasonable as compared with the lower rates to the more distant points.

(d) On the route from Cincinnati to Albany the line selected passes through Cordele, Ga. The rates to stations intermediate to Cordele are discussed in subdivision L of this report. Between Cordele and Albany the rates reach a maximum at Warwick, Ga., 23 miles north of Albany and 657 miles from Cincinnati. The rates from Cincinnati to Warwick are—

150 131 119 96 82 66

The average rates made over two-line hauls for 650 miles as shown from Exhibit No. 117 are—

137 118 106 90 74 60

The rates to Warwick are made over a four-line haul and being so made may properly be slightly higher than the average rates made over two-line hauls in this territory. We are of the opinion that so long as lower rates are continued to more distant points these rates should not exceed—

140 120 108 92 75 61

The rates from Louisville to stations on the Seaboard Air Line, Montgomery to Albany, reach a maximum at Pittsview and Cotton-ton, Ala., 562 miles from Louisville. The rates to these two stations are—

151 133 122 102 87 65

The average rates made for like distances over two-line hauls as shown from Exhibit No. 117 are—

128 112 99 83 69 56

We are of the opinion that these rates from Louisville to stations on the Seaboard Air Line between Montgomery and Albany are unjustified to the extent that they exceed average rates made over two-line hauls for like distances as shown from Exhibit No. 117.

(e) The rates from Cincinnati to stations on the Atlanta & West Point Railroad and the Western Railway of Alabama between Atlanta and Montgomery reach a maximum at La Grange, Ga. The rates to a number of these stations are practically the same. Of these higher rated stations Cannonville, Ga., is fairly representative with rates from Cincinnati of—

135 119 107 88 73 57

The route from Louisville to Macon is through Birmingham and Columbus. The rates to stations north of Birmingham are discussed in subdivision L. The rates to stations between Birmingham and Columbus are discussed in paragraph *c* of this subdivision. The rates to stations between Columbus and Macon reach a maximum at Butler, Ga., 597 miles from Louisville. The rates to Butler are—

141 124 112 93 77 59

Average rates over two-line hauls for 600 miles as shown from Exhibit No. 117 are—

131 114 101 85 70 58

We have seen that the principal reason for the level of rates now maintained from Cincinnati and Louisville to Macon is the competition of the eastern carriers met at that point. We have stated that the carriers in seeking to meet this competition must do so consistently by meeting in the same degree the competition found at intermediate points. Inasmuch as the rates from Louisville to Macon do not exceed the rates from New York to that point, the rates from Louisville to stations between Columbus and Macon should not exceed the rates from New York to the same stations. The highest rates from New York to any of these intermediate stations are—

125 111 98 81 67 54

To the extent that these rates from Louisville to intermediate stations between Columbus and Macon exceed the figures just named they are unjustly discriminatory and should be corrected. One of these intermediate stations is Fort Valley, Ga., taking rates from New York of—

114 98 86 73 60 49

These are the rates that applied to Atlanta prior to 1905, and their history is similar to the history of the rates to McDonough, Ga., heretofore described. There is no present competitive reason for the maintenance of these rates to Fort Valley. They have the effect of constituting undue preference to that point and undue prejudice against other points.

(*c*) The rates from Cincinnati to stations between McDonough, Ga., and Columbus reach a maximum at Woodbury, Ga., 51 miles north of Columbus and 567 miles from Cincinnati. The rates to Woodbury are—

141 124 112 93 77 59

These rates exceed the average rates for like distances over two-line hauls, as shown from Exhibit No. 117, by 13, 12, 13, 10, 8, and 3 cents per 100 pounds on classes one to six. If lower rates are continued to Columbus, the rates to Woodbury and to all stations on the line from McDonough to Columbus must not exceed the average rates for like distances over two-line hauls as shown from Exhibit No. 117.

The rates from Louisville to stations between Birmingham and Columbus reach a maximum at Dadeville, Ala., 488 miles from Louisville. The rates to Dadeville are—

138 118 98 82 68 53

The rates to Dadeville and other stations in the same vicinity exceed by substantial amounts the average rates made over two-line hauls for like distances as shown from Exhibit No. 117, and to the extent that they exceed such average rates we consider them unreasonable as compared with the lower rates to the more distant points.

(d) On the route from Cincinnati to Albany the line selected passes through Cordele, Ga. The rates to stations intermediate to Cordele are discussed in subdivision L of this report. Between Cordele and Albany the rates reach a maximum at Warwick, Ga., 23 miles north of Albany and 657 miles from Cincinnati. The rates from Cincinnati to Warwick are—

150 131 119 96 82 66

The average rates made over two-line hauls for 650 miles as shown from Exhibit No. 117 are—

137 118 106 90 74 60

The rates to Warwick are made over a four-line haul and being so made may properly be slightly higher than the average rates made over two-line hauls in this territory. We are of the opinion that so long as lower rates are continued to more distant points these rates should not exceed—

140 120 108 92 75 61

The rates from Louisville to stations on the Seaboard Air Line, Montgomery to Albany, reach a maximum at Pittsview and Cotton, Ala., 562 miles from Louisville. The rates to these two stations are—

151 133 122 102 87 65

The average rates made for like distances over two-line hauls as shown from Exhibit No. 117 are—

128 112 99 83 69 56

We are of the opinion that these rates from Louisville to stations on the Seaboard Air Line between Montgomery and Albany are unjustified to the extent that they exceed average rates made over two-line hauls for like distances as shown from Exhibit No. 117.

(e) The rates from Cincinnati to stations on the Atlanta & West Point Railroad and the Western Railway of Alabama between Atlanta and Montgomery reach a maximum at La Grange, Ga. The rates to a number of these stations are practically the same. Of these higher rated stations Cannonville, Ga., is fairly representative with rates from Cincinnati of—

135 119 107 88 73 57

Cannonville is 97 miles north of Montgomery and 570 miles from Cincinnati. The average rates made over two-line hauls for a like distance as shown from Exhibit No. 117 are—

130 113 100 84 69 57

We are of the opinion that the rates to stations on the Atlanta & West Point Railroad north of West Point, Ga., should not in any case exceed the average rates made for like distances over two-line hauls as shown from Exhibit No. 117, and to the extent that they now exceed these average rates we consider them unjustly discriminatory as compared with the lower rates to more distant points.

The rates to stations on the Western Railway of Alabama, West Point to Montgomery, are not in excess of average rates and do not appear to be unreasonable.

The rates from Louisville to stations on the Louisville & Nashville Railroad north of Montgomery reach a maximum at Mountain Creek, Ala., 463 miles from Louisville. The rates to Mountain Creek are—

108 88 69 64 59 55

These rates are considerably below the average rates made over one-line hauls for like distances as shown from Exhibit No. 117, and do not appear to be unreasonable.

(f) The rates from Cincinnati to stations on the Southern Railway, Birmingham to Selma, reach a maximum at Stanton, Ala., 561 miles from Cincinnati. The rates to Stanton are—

142 125 112 95 77 60

The average rates made over two-line hauls of 550 miles as shown from Exhibit No. 117 are—

128 112 99 83 69 56

There is a depressed rate point on this line at Maplesville, Ala., a junction point of the Southern Railway with the Mobile & Ohio Railroad. Maplesville is 557 miles from Cincinnati and the following rates apply thereto:

121 110 96 86 74 55

These rates fairly correspond with average rates made for like distances over two-line hauls. In our opinion these rates should be observed as maxima at intermediate points. South of Maplesville the rates should not exceed the average rates made for like distances to noncompetitive points in this territory as shown from Exhibit No. 117.

The rates from Louisville to points on the Western Railway of Alabama between Montgomery and Selma are made by combination on one of these competitive points. The maximum rate point is Whitehall, Ala., 516 miles from Louisville, with rates of—

126 113 102 82 67 55

These rates exceed to a slight degree but on the whole correspond with average rates over two-line hauls for like distances and do not appear to be unreasonable.

(g) On the route from Cincinnati to Chattanooga the stations from Harriman Junction, Tenn., south, are blanketed with rates of—

76 65 57 47 40 30

In the opinion of the Commission in the case of the *Cincinnati Receivers & Shippers Asso. v. C., N. O. & T. P. R. R. Co., supra*, these rates then applicable to Chattanooga were found to be unreasonable. This conclusion was based upon a consideration of all the facts of record relative to traffic density, operating conditions, gross and net earnings per car-mile of all the railroads operating from Cincinnati to Chattanooga. The rates found unreasonable when applied to the longer haul to Chattanooga must be unreasonable when applied to intermediate points. We are of the opinion that the rates applied to Chattanooga should not be exceeded at intermediate points on the line here considered.

On the route from Louisville to Chattanooga the distance is approximately the same and the rates are exactly the same as the rates from Cincinnati. The rates to intermediate points, however, are substantially higher than the rates to intermediate points on the route from Cincinnati. The maximum rate point on the Nashville, Chattanooga & St. Louis Railway is Carpenter, Tenn., 311 miles from Louisville. The rates to Carpenter are—

88 78 68 58 51 44

These rates are made over a two-line haul as compared with the single-line haul of the Cincinnati, New Orleans & Texas Pacific Railroad from Cincinnati. The rates from Louisville to Chattanooga are made and kept on a parity with the rates from Cincinnati to Chattanooga on account of the market competition between Cincinnati and Louisville. We are of the opinion that the rates to intermediate points on the Nashville, Chattanooga & St. Louis Railway should not exceed the rates to Chattanooga.

SUBDIVISION J.

RATES FROM NEW YORK TO INTERIOR BASING POINTS: ATLANTA, GA., BIRMINGHAM, ALA.; ATHENS, CORDELE, AND ROME, GA.; MERIDIAN AND JACKSON, MISS.

1. Rates from New York to Atlanta.

Route: Ocean Steamship Company of Savannah to Savannah; Central of Georgia Railway, Savannah to Atlanta; constructive mileage, 544.

Rates: The rates to stations on the Central of Georgia Railway, Savannah to Macon, are shown in sections 1 and 3 of subdivision G.
80 I. C. C.

Below are shown the rates from New York to stations on the Central of Georgia Railway between Macon and Atlanta:

New York, N. Y., to—	1	2	3	4	5	6
Macon, Ga.....	102	91	81	66	55	43
Rivoli, Ga.....	122	109	97	79	66	53
Lorane, Ga.....	124	109	97	79	66	53
Bolingbroke, Ga.....	125	111	98	81	67	54
Griffin, Ga.....	114	98	86	73	60	49
Pomona, Ga.....	126	111	98	81	67	54
Atlanta, Ga.....	105	93	83	68	56	44

2. Rates from New York to Birmingham.

Route: Clyde Line to Charleston; Southern Railway, Charleston to Augusta; Georgia Railroad, Augusta to Atlanta; Southern Railway, Atlanta to Birmingham; constructive mileage, 729.

Rates: Below are shown the rates to all stations on the Southern Railway, Atlanta to Birmingham:

New York, N. Y., to—	1	2	3	4	5	6
Atlanta, Ga.....	105	93	83	68	56	44
Oakdale, Ga.....	125	111	98	81	67	54
Mableton, Ga.....	126	107	96	81	66	53
Austell, Ga.....	130	113	98	83	68	55
Anniston, Ala.....	114	98	86	73	60	49
Bynum, Ala.....	130	113	98	83	68	55
Birmingham, Ala.....	114	98	86	78	60	49

3. Rates from New York to Athens, Ga.

Route: Ocean Steamship Company of Savannah to Savannah; Central of Georgia Railway, Savannah to Athens; 546 constructive miles.

Rates: The rates to intermediate stations on this route, Savannah to Macon, have been shown in sections 1 and 3 of subdivision G.

Below are shown the rates to all stations on the Central of Georgia Railway, Macon to Athens, Ga.:

New York, N. Y., to—	1	2	3	4	5	6
Macon, Ga.....	102	91	81	66	55	43
Van Buren, Ga.....	117	105	94	76	64	51
Morton, Ga.....	125	111	99	81	69	54
Bradley, Ga.....	127	114	101	84	70	56
Wayside, Ga.....	130	116	104	86	71	56
Hillsboro, Ga.....	135	120	106	89	71	56
Monticello, Ga.....	138	122	107	89	71	56
Machen, Ga.....	132	117	105	88	71	56
Shady Dale, Ga.....	138	122	107	89	71	56
Warings, Ga.....	139	123	111	93	76	59
Madison, Ga.....	140	123	107	89	71	56
Apalachee, Ga.....	133	118	106	88	71	56
Bishop, Ga.....	128	113	102	88	70	55
Watkinsville, Ga.....	125	111	99	81	67	54
Whitehall, Ga.....	120	107	96	78	65	52
Athens, Ga.....	105	93	83	68	56	44

4. Rates from New York to Cordele, Ga.

Route: Ocean Steamship Company of Savannah to Savannah; Seaboard Air Line Railway, Savannah to Cordele; constructive mileage, 418.

Rates: The rates from New York to stations on the Seaboard Air Line Railway, Savannah to Cordele, are shown in section 5 of subdivision G.

5. Rates from New York to Rome, Ga.

Route: Old Dominion Steamship Company to Norfolk; Southern Railway through Atlanta to Rome; constructive mileage, 850.

Rates: Below are shown the rates from New York to all stations on the Southern Railway, Greensboro, N. C., to Rome:

New York, N. Y., to—	1	2	3	4	5	6
Greensboro, N. C.....	88	78	65	51	45	35
Lexington, N. C.....	91	80	67	53	46	36
Juneau, N. C.....	103	92	79	65	54	43
Gaffney, S. C.....	107	101	83	67	56	51
Thicketty, S. C.....	108	98	84	68	57	49
Cowpens, S. C.....	112	98	85	70	58	49
Clifton, S. C.....	114	98	86	73	60	49
Gainesville, Ga.....	105	93	83	68	56	44
Oakwood, Ga.....	114	98	86	73	60	49
Atlanta, Ga.....	105	93	83	68	56	44
Mableton, Ga.....	126	107	96	81	66	53
Dallas, Ga.....	133	117	102	87	73	58
Chambers, Ga.....	120	107	96	78	65	52
Rome, Ga.....	105	93	83	68	56	44

6. Rates from New York to Meridian, Miss.

Route: Old Dominion Steamship Company to Norfolk; Southern Railway, Norfolk to Birmingham; Alabama Great Southern Railroad, Birmingham to Meridian; 882 constructive miles.

Rates: The rates to stations on the Southern Railway from Greensboro, N. C., to Birmingham have been shown in sections 5 and 2 of this subdivision.

Below are shown the rates from New York to all stations on the Alabama Great Southern Railroad, Birmingham to Meridian:

New York, N. Y., to—	1	2	3	4	5	6
Birmingham, Ala.....	114	98	86	73	60	49
Jonesboro, Ala.....	129	111	97	82	67	55
Kimbrel, Ala.....	137	118	103	87	72	58.5
Vance, Ala.....	143	123	107	90	75	61
Cottondale, Ala.....	147	128	110	92	77	63.5
Tuscaloosa, Ala.....	138	120	102	83	70	58
Englewood, Ala.....	147	128	110	92	77	64
Hull, Ala.....	155	135	116	97	82	67.5
Akron, Ala.....	169	145	124.5	103	88	71.5
Eutaw, Ala.....	167	143	123	102	87	71
Boligee, Ala.....	161	138	119	99	84	68.5
Epas, Ala.....	155	133	115	96	81	66
Livingston, Ala.....	149	128	111	93	78	63.5
York, Ala.....	143	123	107	90	75	61
Cuba, Ala.....	137	118	103	87	72	58.5
Burnt Cut, Miss.....	129	111	97	82	67	55
Meridian, Miss.....	114	98	86	73	60	49

7. Rates from New York to Jackson, Miss.

Route: Old Dominion Steamship Company to Norfolk; Southern Railway, Norfolk to Birmingham; Alabama Great Southern Railroad, Birmingham to Meridian; Alabama & Vicksburg Railway, Meridian to Jackson; 978 constructive miles.

Rates: Below are shown the rates to all stations on the Alabama & Vicksburg Railway between Meridian and Jackson:

New York, N. Y., to—	1	2	3	4	5	6
Meridian, Miss.....	114	98	86	73	60	49
Lost Gap, Miss.....	169	148	122	95	82	70
Newton, Miss.....	134	115	101	83	69	55
Lawrence, Miss.....	169	148	122	98	82	70
Jackson, Miss.....	124	109	93	83	71	64

8. Rates from New York to Jackson, via New Orleans.

Route: Morgan Steamship Line, New York to New Orleans; Illinois Central Railroad, New Orleans to Jackson.

Rates: Below are shown the rates from New York to stations on the Illinois Central Railroad, New Orleans to Jackson:

New York, N. Y., to—	1	2	3	4	5	6
New Orleans, La.....	70	60	50	40	35	30
Ruddock, La.....	109	94	76	63	57	50
Ponchatoula, La.....	119	100	84	69	60	55
Hammond, La.....	122	102	85	70	61	55
Roseland, La.....	130	109	91	75	65	57
Chatawa, Miss.....	134	112	93	77	67	57
McComb, Miss.....	134	114	94	78	67	57
Brookhaven, Miss.....	142	118	98	81	71	62
Beauregard, Miss.....	142	118	98	81	71	62
Terry, Miss.....	148	123	102	84	74	63
Jackson, Miss.....	106	95	82	75	65	60

THE DEFENSE.

The defense of the carriers for the maintenance of lower rates from New York to Atlanta, Birmingham, Cordele, Athens, Rome, Meridian, and Jackson, than to intermediate points rests upon the following grounds:

- 1. That the rates to each of the interior basing points named have been brought about through the influence of the competition of carriers, competition of rival markets of production, and rival markets of distribution.
- 2. That these rates are subnormal.
- 3. That they pay more than the additional cost of handling.
- 4. That the rates to intermediate points are not unreasonable.

(a) Atlanta, Ga. Atlanta is located in northwestern Georgia. It had a population in 1910 of 154,839. It is served by the following railroads: Atlanta & West Point Railroad; Atlanta, Birmingham & Atlantic Railroad; Central of Georgia Railway; Georgia Railroad; Louisville & Nashville Railroad; Nashville, Chattanooga & St. Louis

Railway; Seaboard Air Line Railway; Southern Railway; and Western & Atlantic Railroad (N., C. & St. L. Ry.).

The distances to Atlanta from various centers of distribution are as follows:

Atlanta, Ga., from—	Miles.	
New York, N. Y.....	1544	Ocean S. S. Co. and C. of Ga. Ry.
Cincinnati, Ohio.....	474	C., N. O. & T. P. Ry. and N., C. & St. L. Ry.
Louisville, Ky.....	473	So. Ry., C., N. O. & T. P. Ry., and N., C. & St. L. Ry.
Evansville, Ind.....	445	L. & N. R. R. and N., C. & St. L. Ry.
Paducah, Ky.....	468	N., C. & St. L. Ry.
Cairo, Ill.....	490	Ill. Cent. R. R. and N., C. & St. L. Ry.
Memphis, Tenn.....	419	So. Ry. and N., C. & St. L. Ry.
Nashville, Tenn.....	288	N., C. & St. L. Ry.
New Orleans, La.....	493	A. & W. P. R.R., W. of A., and L. & N. R. R.
Norfolk, Va.....	616	Southern Ry.
Charleston, S. C.....	309	So. Ry., and Ga. R. R.
Savannah, Ga.....	294	Central of Georgia Ry.
Brunswick, Ga.....	275	Southern Ry.

¹ Constructive mileage.

The rates on the numbered classes to Atlanta are as shown below:

Atlanta, Ga., from—	1	2	3	4	5	6
New York, N. Y., water and rail.....	105	93	83	68	56	44
Baltimore, Md., water and rail.....	98	87	78	63	52	41
Cincinnati, Ohio.....	98	87	78	63	52	41
Louisville, Ky.....	98	87	78	63	52	41
Evansville, Ind.....	98	87	78	63	52	41
Paducah, Ky.....	98	87	78	63	52	41
Cairo, Ill.....	98	87	78	63	52	41
St. Louis, Mo.....	121	106	95	75	62	49
Memphis, Tenn.....	94	83	74	59	48	37
New Orleans, La.....	94	83	74	59	48	37
Vicksburg, Miss.....	94	83	74	59	48	37

Approximately 160 special commodity rates are published from each of these points of origin to Atlanta.

We have seen that the present Central of Georgia Railroad was completed from Savannah to Macon in 1845. In 1846 a railroad known as the Macon & Western was completed from Macon to what is now the site of Atlanta, thus completing the communication between that point and the sea at Savannah. In 1850 the state of Georgia completed the road known as the Western & Atlantic from Atlanta to Chattanooga, Tenn., on the Tennessee River. This road is now leased by and operated as a part of the Nashville, Chattanooga & St. Louis Railway. The Nashville, Chattanooga & St. Louis Railway was completed in 1854 from Chattanooga to Nashville on the Cumberland River. The Atlanta & West Point Railroad from Atlanta to West Point and the Western Railway of Alabama from West Point to Montgomery were completed in 1854, opening a route by means of these railroads and the Alabama River from Atlanta to the Gulf at Mobile. The Memphis and Charleston Railroad from Memphis to Chattanooga was completed in 1858, opening a route to the Mississippi River at Memphis by means of this railroad and the Western & Atlantic. The Louisville & Nashville Railroad was com-

These rates were applied as maxima at intermediate points on this line between Cincinnati and Chattanooga. The rates established by the Commission were—

70 60 53 44 38 29

These rates established by the Commission were published by the carriers applicable to Chattanooga but were not made applicable to intermediate points. The rates to these intermediate points continued on the higher basis with the result that contravention of the long-and-short-haul rule of the fourth section was brought about.

The rates from Louisville to Chattanooga are the same as from Cincinnati, and were depressed in order to preserve the parity of rates between Louisville and Cincinnati which existed prior to the reduction brought about by the decision in the above-named case. The rates from Louisville to Chattanooga were prior to the decision violative of the long-and-short-haul rule, higher rates being carried to intermediate points. When the reductions were made to Chattanooga no reductions were made to the intermediate points and consequent increase in disparity between the rates to Chattanooga and the intermediate points resulted.

Are these rates from Cincinnati and Louisville to Augusta, Macon, Columbus, Albany, Montgomery, Selma, and Chattanooga subnormal?

Below are shown the distances and rates from Louisville and Cincinnati to each of the seven points named:

	Miles.	1	2	3	4	5	6
Cincinnati to Augusta.....	642	103	90	81	65	54	43
Louisville to Augusta.....	650	103	90	81	65	54	43
Cincinnati to Macon.....	580	103	90	81	65	54	43
Louisville to Macon.....	647	103	90	81	65	54	43
Cincinnati to Columbus.....	618	113	100	91	73	61	49
Louisville to Columbus.....	547	103	90	81	65	54	43
Cincinnati to Albany.....	680	123	107	96	78	65	52
Louisville to Albany.....	650	123	107	96	78	65	52
Cincinnati to Montgomery.....	667	108	97	88	70	57	47
Louisville to Montgomery.....	491	98	87	78	62	50	41
Cincinnati to Selma.....	590	108	97	88	70	57	47
Louisville to Selma.....	541	98	87	78	62	50	41
Cincinnati to Chattanooga.....	338	70	60	53	44	38	29
Louisville to Chattanooga.....	337	70	60	53	44	38	29

The rates from Louisville to Augusta, Macon, and Columbus and from Cincinnati to Augusta and Macon are approximately equal to the average rates made to noncompetitive points in southeastern territory over distances of 350 miles. The rates from Cincinnati to Columbus are approximately equal to the average rates made over two-line hauls in this territory for distances of 425 miles. The rates from Cincinnati and Louisville to Albany are approximately equal to the average rates made over two-line hauls of 450 miles. The rates from Louisville to Montgomery and Selma are but little in excess of the average rates made over two-line hauls of 300 miles. The

rates from Cincinnati to Selma and Montgomery are approximately equal to the average rates made over two-line hauls of 400 miles. The rates to Chattanooga from both Louisville and Cincinnati are evidently less than the average rates for like distances to noncompetitive points in the southern territory. In comparison with rates to noncompetitive points in southern territory, the rates from the Ohio River crossings to all of the seven river points named may be considered as subnormal.

They all without doubt pay more than the additional cost of handling.

Are the rates to the intermediate points unreasonable?

(a) The rates from Cincinnati to stations on the Charleston & Western Carolina Railroad intermediate to Augusta are blanket rates covering a territory approximately 200 miles in width. The center of this blanket is about 550 miles from Cincinnati. The rates to all stations so blanketed are—

116 107 86 67 55 50

These rates are markedly less than average rates over two-line hauls for like distances in this territory, as shown from Exhibit No. 117.

The rates from Louisville to stations on the Georgia Railroad between Atlanta and Augusta reach a maximum at Buckhead, Ga., 554 miles from Louisville. The rates to Buckhead are—

136 120 106 89 73 57

Average rates made over two-line hauls for 550 miles in this territory, as shown from Exhibit No. 117, are—

128 112 99 83 69 56

The rates to Buckhead are considerably higher than these average rates. No reason is shown in this record that justifies the maintenance of a higher scale to these points. We are of the opinion that so long as lower rates are maintained to more distant points the rates from Louisville to Buckhead and other points in the same vicinity are unjustly discriminatory to the extent that they exceed the average rates made over two-line hauls in this territory for like distances, as shown from Exhibit No. 117.

(b) On the route, Cincinnati to Macon, the rates to stations north of Atlanta are discussed in subdivision L of this report. South of Atlanta the route is over the Southern Railway. The rates reach a maximum at Bibb, Ga., 540 miles from Cincinnati. The rates to Bibb are—

136 120 109 90 74 57

The rates to Bibb compare closely with the rates to Buckhead on the Georgia Railroad. The distances are approximately the same, and the same conclusion should be expressed concerning the rates to Bibb as has just been stated with reference to the rates to Buckhead.

The route from Louisville to Macon is through Birmingham and Columbus. The rates to stations north of Birmingham are discussed in subdivision L. The rates to stations between Birmingham and Columbus are discussed in paragraph c of this subdivision. The rates to stations between Columbus and Macon reach a maximum at Butler, Ga., 597 miles from Louisville. The rates to Butler are—

141 124 112 93 77 59

Average rates over two-line hauls for 600 miles as shown from Exhibit No. 117 are—

131 114 101 85 70 58

We have seen that the principal reason for the level of rates now maintained from Cincinnati and Louisville to Macon is the competition of the eastern carriers met at that point. We have stated that the carriers in seeking to meet this competition must do so consistently by meeting in the same degree the competition found at intermediate points. Inasmuch as the rates from Louisville to Macon do not exceed the rates from New York to that point, the rates from Louisville to stations between Columbus and Macon should not exceed the rates from New York to the same stations. The highest rates from New York to any of these intermediate stations are—

125 111 98 81 67 54

To the extent that these rates from Louisville to intermediate stations between Columbus and Macon exceed the figures just named they are unjustly discriminatory and should be corrected. One of these intermediate stations is Fort Valley, Ga., taking rates from New York of—

114 98 86 73 60 49

These are the rates that applied to Atlanta prior to 1905, and their history is similar to the history of the rates to McDonough, Ga., heretofore described. There is no present competitive reason for the maintenance of these rates to Fort Valley. They have the effect of constituting undue preference to that point and undue prejudice against other points.

(c) The rates from Cincinnati to stations between McDonough, Ga., and Columbus reach a maximum at Woodbury, Ga., 51 miles north of Columbus and 567 miles from Cincinnati. The rates to Woodbury are—

141 124 112 93 77 59

These rates exceed the average rates for like distances over two-line hauls, as shown from Exhibit No. 117, by 13, 12, 13, 10, 8, and 3 cents per 100 pounds on classes one to six. If lower rates are continued to Columbus, the rates to Woodbury and to all stations on the line from McDonough to Columbus must not exceed the average rates for like distances over two-line hauls as shown from Exhibit No. 117.

The rates from Louisville to stations between Birmingham and Columbus reach a maximum at Dadeville, Ala., 488 miles from Louisville. The rates to Dadeville are—

138 118 98 82 68 53

The rates to Dadeville and other stations in the same vicinity exceed by substantial amounts the average rates made over two-line hauls for like distances as shown from Exhibit No. 117, and to the extent that they exceed such average rates we consider them unreasonable as compared with the lower rates to the more distant points.

(d) On the route from Cincinnati to Albany the line selected passes through Cordele, Ga. The rates to stations intermediate to Cordele are discussed in subdivision L of this report. Between Cordele and Albany the rates reach a maximum at Warwick, Ga., 23 miles north of Albany and 657 miles from Cincinnati. The rates from Cincinnati to Warwick are—

150 131 119 96 82 66

The average rates made over two-line hauls for 650 miles as shown from Exhibit No. 117 are—

137 118 106 90 74 60

The rates to Warwick are made over a four-line haul and being so made may properly be slightly higher than the average rates made over two-line hauls in this territory. We are of the opinion that so long as lower rates are continued to more distant points these rates should not exceed—

140 120 108 92 75 61

The rates from Louisville to stations on the Seaboard Air Line, Montgomery to Albany, reach a maximum at Pittsview and Cotton, Ala., 562 miles from Louisville. The rates to these two stations are—

151 133 122 102 87 65

The average rates made for like distances over two-line hauls as shown from Exhibit No. 117 are—

128 112 99 83 69 56

We are of the opinion that these rates from Louisville to stations on the Seaboard Air Line between Montgomery and Albany are unjustified to the extent that they exceed average rates made over two-line hauls for like distances as shown from Exhibit No. 117.

(e) The rates from Cincinnati to stations on the Atlanta & West Point Railroad and the Western Railway of Alabama between Atlanta and Montgomery reach a maximum at La Grange, Ga. The rates to a number of these stations are practically the same. Of these higher rated stations Cannonville, Ga., is fairly representative with rates from Cincinnati of—

135 119 107 88 73 57

Cannonville is 97 miles north of Montgomery and 570 miles from Cincinnati. The average rates made over two-line hauls for a like distance as shown from Exhibit No. 117 are—

130 113 100 84 69 57

We are of the opinion that the rates to stations on the Atlanta & West Point Railroad north of West Point, Ga., should not in any case exceed the average rates made for like distances over two-line hauls as shown from Exhibit No. 117, and to the extent that they now exceed these average rates we consider them unjustly discriminatory as compared with the lower rates to more distant points.

The rates to stations on the Western Railway of Alabama, West Point to Montgomery, are not in excess of average rates and do not appear to be unreasonable.

The rates from Louisville to stations on the Louisville & Nashville Railroad north of Montgomery reach a maximum at Mountain Creek, Ala., 463 miles from Louisville. The rates to Mountain Creek are—

108 88 69 64 59 55

These rates are considerably below the average rates made over one-line hauls for like distances as shown from Exhibit No. 117, and do not appear to be unreasonable.

(f) The rates from Cincinnati to stations on the Southern Railway, Birmingham to Selma, reach a maximum at Stanton, Ala., 561 miles from Cincinnati. The rates to Stanton are—

142 125 112 95 77 60

The average rates made over two-line hauls of 550 miles as shown from Exhibit No. 117 are—

128 112 99 83 69 56

There is a depressed rate point on this line at Maplesville, Ala., a junction point of the Southern Railway with the Mobile & Ohio Railroad. Maplesville is 557 miles from Cincinnati and the following rates apply thereto:

121 110 96 86 74 55

These rates fairly correspond with average rates made for like distances over two-line hauls. In our opinion these rates should be observed as maxima at intermediate points. South of Maplesville the rates should not exceed the average rates made for like distances to noncompetitive points in this territory as shown from Exhibit No. 117.

The rates from Louisville to points on the Western Railway of Alabama between Montgomery and Selma are made by combination on one of these competitive points. The maximum rate point is Whitehall, Ala., 516 miles from Louisville, with rates of—

126 113 102 82 67 55

These rates exceed to a slight degree but on the whole correspond with average rates over two-line hauls for like distances and do not appear to be unreasonable.

(g) On the route from Cincinnati to Chattanooga the stations from Harriman Junction, Tenn., south, are blanketed with rates of—

76 65 57 47 40 30

In the opinion of the Commission in the case of the *Cincinnati Receivers & Shippers Asso. v. C., N. O. & T. P. R. R. Co., supra*, these rates then applicable to Chattanooga were found to be unreasonable. This conclusion was based upon a consideration of all the facts of record relative to traffic density, operating conditions, gross and net earnings per car-mile of all the railroads operating from Cincinnati to Chattanooga. The rates found unreasonable when applied to the longer haul to Chattanooga must be unreasonable when applied to intermediate points. We are of the opinion that the rates applied to Chattanooga should not be exceeded at intermediate points on the line here considered.

On the route from Louisville to Chattanooga the distance is approximately the same and the rates are exactly the same as the rates from Cincinnati. The rates to intermediate points, however, are substantially higher than the rates to intermediate points on the route from Cincinnati. The maximum rate point on the Nashville, Chattanooga & St. Louis Railway is Carpenter, Tenn., 311 miles from Louisville. The rates to Carpenter are—

88 78 68 58 51 44

These rates are made over a two-line haul as compared with the single-line haul of the Cincinnati, New Orleans & Texas Pacific Railroad from Cincinnati. The rates from Louisville to Chattanooga are made and kept on a parity with the rates from Cincinnati to Chattanooga on account of the market competition between Cincinnati and Louisville. We are of the opinion that the rates to intermediate points on the Nashville, Chattanooga & St. Louis Railway should not exceed the rates to Chattanooga.

SUBDIVISION J.

RATES FROM NEW YORK TO INTERIOR BASING POINTS: ATLANTA, GA., BIRMINGHAM, ALA.; ATHENS, CORDELE, AND ROME, GA.; MERIDIAN AND JACKSON, MISS.

1. Rates from New York to Atlanta.

Route: Ocean Steamship Company of Savannah to Savannah; Central of Georgia Railway, Savannah to Atlanta; constructive mileage, 544.

Rates: The rates to stations on the Central of Georgia Railway, Savannah to Macon, are shown in sections 1 and 3 of subdivision G.

tive conditions other than the competition of other points with Athens as rival distributing centers. We can see no reason now for according to Athens any different treatment than is accorded to all stations intermediate thereto on the routes through Savannah, Charleston, or Norfolk.

(d) Cordele, Ga. Cordele is situated in the south central part of Georgia and is served by the following railroads: Georgia, Southern & Florida Railway; Georgia Southwestern & Gulf Railroad; Atlanta, Birmingham & Atlantic Railroad; and Seaboard Air Line Railway.

Below are shown the rates to Cordele on the first six classes from New York, the Ohio River cities, and New Orleans:

To Cordele, Ga., from—	1	2	3	4	5	6
New York, N. Y.....	105	93	83	68	56	44
Ohio River cities.....	123	107	96	78	65	52
New Orleans, La.....	119	103	92	74	61	48

Cordele was established by the promoters and builders of the Americus, Preston & Lumpkin Railroad, which line was built by the merchants of Americus from Americus to Abbeville, Ga., on the Ocmulgee River. The road was completed to Abbeville in 1837. It placed a boat line of its own on the river and in connection with the Mallory line to Brunswick materially reduced the rates to Americus from the east. Later the same road was extended to Helena, Ga., where it connected with the East Tennessee, Virginia & Georgia, through which line it obtained reduced rates to Americus from the west. It soon after extended the line westerly to Montgomery, changing its name to Savannah, Americus & Montgomery Railroad.

Upon complaint of Hill & Brother, merchants of Cordele, the Commission in 1895 ordered the rates from Nashville on grain and grain products to be made not higher than to Americus, to which point Cordele by most routes was intermediate. The western lines were convinced that the reasons relied upon as justifying lower rates to Americus than to Cordele from the Ohio River crossings were no better than those relied upon as justifying the rates from Nashville, and so put in class and commodity rates from the Ohio and Mississippi River crossings to Cordele the same as to Americus.

This reduction in the fall of 1895 in rates from the west to Cordele was followed in February, 1896, by reductions in rates from the east. The rates then established from New York to Cordele were—

114 98 86 73 60 41

which at that time were the rates to Americus, Atlanta, Athens, and many other points. In 1905, coincident with the reductions to

30 I. C. C.

Atlanta, the rates from New York to Cordele were again reduced to—

105 93 83 68 56 44

The Seaboard Air Line system has absorbed the railway responsible for the reductions to Americus and has continued to that point the same rates that had been established by its predecessors. There exists at present no competitive reason justifying the continuance at Americus or at Cordele of rates which are without doubt preferential.

(e) Rome, Ga. Rome is located in northwestern Georgia on the Coosa River. It had a population in 1910 of 12,099. It is served by the Central of Georgia Railway; Nashville, Chattanooga & St. Louis Railway; Southern Railway; and Rome & Northern Railroad.

Below are shown the rates on the first six classes from New York, St. Louis, the Ohio and the Mississippi River crossings:

To Rome, Ga., from—	1	2	3	4	5	6
New York, N. Y.....	105	93	83	68	56	44
St. Louis, Mo.....	121	106	95	75	62	49
Ohio River cities.....	98	87	78	63	52	41
Memphis, Tenn., Vicksburg, Miss., and New Orleans, La.....	94	83	74	59	48	37

These are the rates to Atlanta, and the record shows that Rome has been accorded the same rates as Atlanta for more than 35 years.

The competition at Rome of the west against the east, and the competition at Rome with other points as distributing centers, is relied upon as a justification for the maintenance thereto of lower rates than are accorded intermediate points. Rome, like Athens and Cordele, shared in the reductions made in 1905 coincident with the reductions to Atlanta. The present level of rates was not brought about by competitive necessity and is not now so necessitated. The carriers serving Rome from the east are at some disadvantage in distance as against carriers serving the same point from the west, and the eastern carriers might with propriety be accorded relief by reason of that fact.

(f) Meridian, Miss. Meridian is located in the eastern part of Mississippi and had a population in 1910 of approximately 23,000. It is served by the following-named railroads: Alabama & Vicksburg Railway, Alabama Great Southern Railroad, Mobile & Ohio Railroad, New Orleans & Northeastern Railroad, and Southern Railway.

The all-rail rates and the water-and-rail rates through Norfolk or the South Atlantic ports from New York are as follows:

114 98 86 73 60 49

These rates are limited and controlled by the competition of the rates made by the Morgan line through New Orleans, and by the 30 I. C. C.

Mallory line through Mobile. The rates through these ports to Meridian are the following differentials less than the rates above given, in cents per 100 pounds, on classes 1 to 6:

18 14 11 8 6 4

Meridian is 136 miles north of Mobile by the Mobile & Ohio Railroad, and 196 miles northeast of New Orleans by the New Orleans & Northeastern Railroad. The Mallory line and the Morgan line, with their connections at Mobile and New Orleans, publish through rates from New York to Meridian, but do not publish through rates to points between Mobile and Meridian, or between New Orleans and Meridian. The rates to these points are made by adding to the water rates to the ports the local rates beyond and 4 cents per 100 pounds for wharfage. The resulting figures give rates materially higher to the intermediate points than to Meridian.

The maintenance of the present all-rail rates and water-and-rail rates to Meridian via Norfolk and via the south Atlantic ports is necessitated by the competition of the Gulf lines and by the competition of carriers serving the Ohio River cities, but no justification has been shown for the maintenance of lower rates via the Gulf ports to Meridian than to intermediate points.

(g) Jackson, Miss. Jackson is located on the Pearl River a little southwest of the center of the state. It is the capital of the state and had a population in 1910 of approximately 21,000. It is served by the following railroads: Alabama & Vicksburg Railway, Gulf & Ship Island Railroad, Illinois Central Railroad, New Orleans Great Northern Railroad, and Yazoo & Mississippi Valley Railroad.

The rates from New York to Jackson all-rail or water-and-rail via Norfolk or the south Atlantic ports are the following:

124 109 93 83 71 64

These rates are influenced and controlled by the rates made by the Morgan line and its connections through New Orleans. The water-and-rail rates made through New Orleans are the same differentials, less than the rates made through eastern ports, as were shown in the previous paragraph with reference to Meridian. The rates to Jackson through New Orleans are not made applicable to intermediate points on the Illinois Central between New Orleans and Jackson. The rates to these points are made by combination on New Orleans and are materially higher than the rates to Jackson. The maintenance of the present all-rail rates and water-and-rail rates to Jackson via Norfolk and the south Atlantic ports is necessitated by the competition of the Gulf lines and by the competition of carriers serving Ohio River cities, but no justification has been shown for the maintenance of lower rates via the Gulf ports to Jackson than to intermediate points.

Are these rates from New York to Atlanta, Birmingham, Athens, Cordele, Rome, Meridian, and Jackson subnormal?

Below are shown the rates on the first six classes to each point using the constructive mileage of 160 from New York to Norfolk, and 250 from New York to Savannah, Brunswick, or Charleston:

New York, N. Y., to—	Miles.	1	2	3	4	5	6
Atlanta, Ga.....	541	105	93	83	68	56	44
Birmingham, Ala.....	729	114	98	86	73	60	49
Athens, Ga.....	546	105	93	83	68	56	44
Cordele, Ga.....	418	105	93	83	68	56	44
Rome, Ga.....	850	105	93	83	68	56	44
Meridian, Miss.....	882	114	98	86	73	60	49
Jackson, Miss.....	978	124	109	93	83	71	64

The rates made to Atlanta, Rome, and Athens over constructive mileages, in all instances exceeding 500 miles by the shortest route available, are approximately equal to the average rates made to non-competitive points over two-line hauls of 400 miles as shown from Exhibit No. 117. The rates to Birmingham and Meridian are made over constructive mileages of 729 and 882 miles. They are approximately equal to the average rates made over two-line hauls of 450 miles as shown from the above-named exhibit. The rates to Jackson are made over a constructive mileage of 978 miles and are approximately equal to the average rates made to noncompetitive points over two-line hauls of 550 miles. These rates are, therefore, as compared with rates to noncompetitive points subnormal, and the rates to Birmingham, Meridian, and Jackson are considerably below the average rates made for like distances to noncompetitive points. The rates to Cordele, however, are made over a constructive mileage of 418 miles and are but slightly lower than the average rates made for like distances over two-line hauls in this territory.

These rates all probably pay more than the additional cost of handling.

Are the rates to intermediate points unreasonable?

(a) On the route of the Central of Georgia from Macon to Atlanta the highest rated stations take rates of—

125 111 98 81 67 54

These points are approximately 500 constructive miles from New York. The average rates to noncompetitive points made over two-line hauls of 500 miles in this territory as shown from Exhibit No. 117 are—

120 104 92 76 64 52

To the extent that any of these rates to intermediate stations between Macon and Atlanta exceed the rates concurrently maintained to Atlanta they are unduly discriminatory.

(b) On the route of the Southern Railway, Atlanta to Birmingham, the highest rated stations take rates of—

130 113 98 83 68 55

These stations are at an average distance from New York of 650 constructive miles. They are less than average rates for such distances in this territory and do not appear to be unreasonable.

(c) On the route of the Central of Georgia from Savannah to Athens the highest rated intermediate point is Madison, Ga., 32 miles south of Athens and 514 constructive miles from New York. The rates to Madison are—

140 123 107 89 71 56

The average rates made over two-line hauls of 500 miles to noncompetitive points are shown in paragraph (a) and are markedly less than the rates applicable to Madison. To the extent that these rates to Madison and other intermediate points exceed the rates concurrently applicable to Athens they are unduly discriminatory.

(d) On the route of the Seaboard Air Line from Savannah to Cordele the highest rated points are those in the vicinity of Milan, Ga. Milan is 124 miles from Savannah and 374 constructive miles from New York. The rates to that point are—

139 117 99 78 64 51

The average rates for two-line hauls of 400 miles are materially less than the rates to Milan and other points in the same vicinity. To the extent that these rates to Milan and other points intermediate to Cordele exceed the rates concurrently applicable to Cordele they are unduly discriminatory.

(e) On the Southern Railway route via Norfolk to Rome the highest rated point is Dallas, Ga. This point is 811 constructive miles from New York via the route chosen, but is only 546 constructive miles from New York via the short line. The rates to Dallas are—

133 117 102 87 73 58

To the extent that these rates exceed the average rates over two-line hauls of like distances they are unduly discriminatory.

(f) On the route to Meridian the highest rated point on the Alabama Great Southern between Birmingham and Meridian is Akron, Ala., 72 miles north of Meridian and 810 constructive miles from New York. The rates to Akron are—

169 145 124.5 103 88 71.5

These rates exceed average rates in this territory over like distances, and to the extent that they exceed such rates, we are of the opinion they are not justified.

(g) On the route to Jackson the rates to all points except Newton, Miss., on the Alabama & Vicksburg between Meridian and Jackson are blanketed with rates of—

169 148 122 95 82 70

The rates to Newton are—

134 115 101 83 69 55

Newton is a junction point with the New Orleans, Mobile & Chicago Railroad, 31 miles west of Meridian. The rates to that point may have been influenced by competition, but if so it does not appear to be competition as to which these petitioners are at any disadvantage, and we are of the opinion that whatever rates are made to Newton should be observed as maxima to stations between Meridian and Newton. West of Newton the blanket rates shown apply to all stations between Newton and Jackson, a distance of 65 miles.

In the case of the *Board of Trade of Carrollton, Ga., v. C. of G. Ry. Co.*, 28 I. C. C., 154, the Commission expressed the opinion that in the making of joint through rates on long-distance traffic to local or noncompetitive points, the differentials above the rates to the basing points should bear some reasonable relation to the total distances involved. In this case the haul to the basing point, Jackson, is 978 miles, and the first-class rate is \$1.24. The distance from Jackson to these local stations can not in any case exceed 65 miles, and the difference on the first class is 45 cents. This differential does not bear a reasonable relation to the rate made to Jackson, and we are of the opinion that the rates from New York to these local points on the Alabama & Vicksburg between Newton and Jackson should not exceed the rates to Jackson by more than the following differentials in cents per 100 pounds on classes 1 to 6, respectively:

12 11 10 9 9 8

On the route to Jackson via New Orleans the high-rate point occurs at Terry, Miss., with rates from New York as follows:

148 123 102 84 74 63

The record contains no testimony with reference to the reasonableness of these rates via New Orleans, and contains no testimony with reference to the reasonableness of the rates via Mobile, to the intermediate stations on the Mobile & Ohio between Mobile and Meridian, or the rates via New Orleans to the stations on the New Orleans & Northeastern between New Orleans and Meridian. At both Jackson and Meridian the only reason for the depression of these rates below the rates applicable to stations south of these points is the competition met at those points of rates made from the Ohio River cities.

We have heretofore expressed the opinion that justification has not been shown for the maintenance of lower rates to Meridian and Jackson than to intermediate points. We here express no opinion with respect to the reasonableness of these rates to points between the Gulf ports and Meridian and Jackson, but in so far as these rates exceed the rates to Meridian and Jackson they are unduly discriminatory.

SUBDIVISION K.

RATES FROM NEW ORLEANS TO ATLANTA, BIRMINGHAM, AND ATHENS, ROME, AND CORDELE, GA.

1. Rates from New Orleans to Atlanta.

Route: Louisville & Nashville Railroad, New Orleans to Montgomery; Western Railway of Alabama and Atlanta & West Point Railroad, Montgomery to Atlanta; 493 miles.

Rates. The rates to Atlanta and intermediate stations are shown in section 1 of subdivision C.

2. Rates from New Orleans to Birmingham.

Route: Louisville & Nashville Railroad; 415 miles.

Rates. The rates from New Orleans to stations south of Montgomery are shown in section 1 of subdivision C.

Below are shown the rates from New Orleans to stations on the Louisville & Nashville Railroad, Montgomery to Birmingham:

New Orleans, La., to—	1	2	3	4	5	6
Montgomery, Ala.....	89	77	55	42	35	35
Prattville Junction, Ala.....	87	75	61	50	51	42
Elmore, Ala.....	87	75	61	56	51	45
Speigener, Ala.....	87	75	61	56	51	47
Mountain Creek, Ala.....	90	77	62	57	52	48
Thorsby, Ala.....	93	79	63	58	53	49
Calera, Ala.....	96	76	56	53	49	43
Siluria, Ala.....	93	79	63	58	53	47
Pelham, Ala.....	96	81	64	59	54	45
Helena, Ala., to Birmingham, Ala., inclusive.....	89	79	68	55	47	36

3. Rates from New Orleans to Athens, Ga.

Route: Louisville & Nashville Railroad to Montgomery; Western Railway of Alabama and Atlanta & West Point Railroad, Montgomery to Atlanta; Seaboard Air Line Railway, Atlanta to Athens; 566 miles.

Rates: The rates from New Orleans to stations south of Atlanta are shown in section 1 of subdivision C.

The rates to stations on the Seaboard Air Line between Atlanta and Athens are blanketed with rates from New Orleans of—

112 103 82 64 52 46

The rates to Athens are—

99 86 77 61 50 30

4. Rates from New Orleans to Rome, Ga.

Route: Louisville & Nashville Railroad to Birmingham; Southern Railway, Birmingham to Rome; 542 miles.

Rates: The rates to stations on the Louisville & Nashville Railroad south of Birmingham are shown in section 2 of this subdivision.

Below are shown the rates from New Orleans to stations on the Southern Railway, Birmingham to Rome:

New Orleans, La., to—	1	2	3	4	5	6
Birmingham, Ala.....	89	79	68	55	47	36
Leeds, Ala.....	114	99	86	70	60	47
Brompton, Ala.....	123	107	94	78	67	50
Eden, Ala.....	127	111	98	82	68	51
Pell City, Ala.....	122	107	96	79	65	50
Riverside, Ala.....	127	111	98	82	68	51
McFall, Ala.....	122	107	96	79	65	50
Bynum, Ala.....	118	103	92	75	62	49
Anniston, Ala.....						
Weaver, Ala.....	118	103	92	75	62	49
Jacksonville, Ala.....	122	107	85	78	65	50
Piedmont, Ala.....	128	108	85	78	68	51
Spring Garden, Ga.....	128	111	100	82	68	51
Rock Run, Ga.....	128	111	100	82	68	53
Cave Spring, Ga.....	117	103	93	74	62	48
Rome, Ga.....	94	83	74	59	48	37

5. Rates from New Orleans to Cordele, Ga.

Route: Louisville & Nashville Railroad to Montgomery; Seaboard Air Line, Montgomery to Cordele; 488 miles.

Rates: The rates from New Orleans to stations on the Seaboard Air Line Railway, Montgomery to Cordele, are shown in section 2 of subdivision C.

THE DEFENSE.

The defense of the carriers for carrying lower rates from New Orleans to Atlanta, Birmingham, Cordele, Athens, and Rome, than to intermediate points rests upon the following grounds.

1. That the rates to each of these points have been reduced by the active competition of parallel competing lines, by the competition of carriers serving the east as against those serving the west, and by the competition between these cities and other cities seeking to distribute in a common market.

2. That the rates are subnormal.

3. That they pay more than the additional cost of handling.

4. That the rates to the intermediate points are not unreasonable.

(a) Atlanta, Ga. We have shown in subdivision J the various changes in the rates from the Ohio River crossings to Atlanta. The rates from New Orleans to Atlanta, Rome, Cordele, and Athens are 4 cents per 100 pounds less on all classes and commodities than the rates on the corresponding traffic from the Ohio River cities. This relationship of rates has been in effect for more than 25 years. The

reductions made to Atlanta from time to time in rates from New York and the Ohio River crossings were met in all instances by corresponding reductions from New Orleans. We have shown in subdivision J that the reductions from the Ohio River cities and from New York made to Atlanta in 1905 were not the result of competition but resulted from other causes. The same may be said concerning the reductions in the rates from New Orleans to Atlanta. As the situation now stands the carriers serving Atlanta from New Orleans come into competition at that point with carriers serving the same point from New York and the Ohio River cities. It can not be said, however, that the lines from New Orleans are at any disadvantage as to this competition. Atlanta is 493 miles from New Orleans, 474 miles from Cincinnati, 473 miles from Louisville, 490 miles from Cairo, and 511 constructive miles from New York, using the shortest constructive mileage available to that point. The distances from all these points to Atlanta are approximately equal. The competition of Atlanta as a distributing center does not justify the making of lower rates thereto than to intermediate points. There are no parallel lines from New Orleans to Atlanta as to which the one under consideration is at any disadvantage whatever. We are of the opinion that justification has not been shown for maintaining lower rates from New Orleans to Atlanta than to intermediate stations.

(b) Birmingham, Ala. The carriers serving Birmingham from New Orleans come into competition at that point with carriers serving the same point from the Ohio River crossings and New York. The particular line under consideration is somewhat circuitous in character. The short line is the New Orleans & Northeastern and the Alabama Great Southern. The route formed by the last named line is 355 miles in length, as compared with the line of the Louisville & Nashville Railroad, which is 415 miles. The competition at Birmingham as a distributing center with other centers of distribution, particularly Montgomery and Selma, is urged as justification for lower rates to Birmingham than to intermediate points. The short-line distance from New Orleans to Birmingham is less than the distance from Cincinnati, Louisville, Evansville, or Thebes. It is but 21 miles greater than the distance from Cairo and 274 miles less than the constructive mileage from New York. The lines from New Orleans are clearly under no disadvantage as against the competition from the Ohio River crossings and New York. The competition at Birmingham with Montgomery as a distributing center is not a justification for reducing rates thereto lower than to intermediate points. Montgomery is entitled to whatever advantage its natural transportation facilities have induced, and the desire of Birmingham to compete with Montgomery in common territory is nothing more than

can be said of many other points, some of them intermediate to Birmingham. The line under consideration is 60 miles, or 17 per cent, longer than the short line. This fact will justify the maintenance of slightly lower rates thereto than to intermediate points on this line, but no justification exists for the maintenance of lower rates from New Orleans to Birmingham via the short line than are concurrently applicable on like traffic to intermediate stations.

(c) Athens, Ga. The justification urged for making lower rates from New Orleans to Athens than to intermediate points is the competition of carriers serving Athens from the Ohio River cities and from New York and the competition between Athens and other cities as distributing centers for trade in the surrounding country. The distance from New Orleans to Athens is but 20 miles more than the distance from Louisville, Cincinnati, and New York. It can not be said, therefore, that the route from New Orleans is at any substantial disadvantage as to the competition from New York and the Ohio River cities. The competition between Athens and other distributing centers does not constitute a justification for making rates thereto lower than to intermediate points.

(d) Cordele, Ga. The justification urged for making lower rates from New Orleans to Cordele than to intermediate points is the competition met at that point of rates from New York and the Ohio River cities. Cordele is 488 miles from New Orleans, 418 constructive miles from New York, 656 miles from Louisville, and 645 miles from Cincinnati. This carrier can be under no disadvantage at Cordele as to the rates made to that point from Louisville and Cincinnati. In subdivision J of this report we have discussed the rates to Cordele from New York and expressed the opinion that justification does not exist for the maintenance of lower rates from New York to Cordele than to intermediate points. We find no justification for lower rates from New Orleans to Cordele than to intermediate points.

(e) Rome, Ga. The justification urged for the maintenance of lower rates from New Orleans to Rome than to intermediate points is the competition there encountered of carriers serving that point from eastern cities and the Ohio River crossings and the competition between Rome and other near-by distributing centers. Rome is 542 miles from New Orleans, 418 miles from Cincinnati, 417 miles from Louisville, and 584 constructive miles from New York via south Atlantic ports. The routes from New Orleans are under no disadvantage as to the competition from New York, and the rates made from New Orleans are and have been for many years less than the rates made from the Ohio River cities with which New Orleans competes. The rates on all classes and commodities from New Orleans to Rome are 4 cents per 100 pounds less than the rates on the corre-

sponding classes and commodities from the Ohio River crossings. It can not, therefore, be claimed that the rates to Rome from New Orleans are necessitated by rates from the Ohio River cities. The competition at Rome as a distributing center with Dalton, Ga., Cedartown, Ga., Chattanooga, Tenn., or Atlanta, Ga., does not constitute a justification for making rates thereto lower than to intermediate points.

Are these rates from New Orleans to Atlanta, Birmingham, Athens, Cordele, and Rome subnormal?

Below are shown the distances from New Orleans and the rates to each of these points:

New Orleans, La., to—	Miles.	1	2	3	4	5	6
Atlanta, Ga.....	493	94	83	74	59	48	37
Cordele, Ga.....	488	94	83	74	59	48	37
Rome, Ga.....	542	94	83	74	59	48	37
Athens, Ga.....	566	99	86	77	61	50	30
Birmingham, Ala.....	415	89	79	68	55	47	36

The rates named to Atlanta, Rome, and Cordele on the third class are higher but on the other five classes are lower than the average rates made to noncompetitive points over one-line hauls of 300 miles as shown from Exhibit No. 117. The rates to Athens on the first three classes are higher, but on the last three classes are lower than the average rates made over one-line hauls for 300 miles. The rates to Birmingham on classes 1 to 6 are less in all instances than the rates to Atlanta, Athens, etc., and on all classes except the last three are lower than the average rates over one-line hauls for distances of 300 miles. It may fairly be concluded that all of these rates as they now stand are subnormal to a greater or less degree.

They all without doubt pay more than the additional cost of handling.

Are the rates to intermediate points unreasonable?

(a) On the route to Atlanta the maximum rate point occurs at Gabbettville, Ga., 80 miles south of Atlanta and 413 miles from New Orleans. The rates to Gabbettville are—

131 115 103 84 69 53

These rates may fairly be compared with the average rates made over two-line hauls of 400 miles in this territory as shown from Exhibit No. 117. These average rates are—

112 98 87 72 60 49

To the extent that the rates to Gabbettville and other intermediate points between Montgomery and Atlanta exceed the rates concurrently maintained to Atlanta they are unduly discriminatory.

(b) On the route to Birmingham the highest rated intermediate point on the Louisville & Nashville Railroad is Keystone, Ala., 394 miles from New Orleans, with rates of—

96 81 64 59 54 47

These rates are less than average rates over one-line hauls for like distances and do not appear to be unreasonable.

(c) On the route to Athens the highest rated intermediate points between Atlanta and Athens have blanket rates of—

112 103 82 64 52 46

These points are at an average distance from New Orleans of approximately 535 miles. The rates made thereto are less than the average rates made to noncompetitive points over two-line hauls of like distances. They do not appear to be unreasonable, but to the extent that they exceed the rates concurrently maintained to Athens they are unduly discriminatory.

(d) On the route to Cordele the highest rated point is Pittsview, Ala., 391 miles from New Orleans. The rates to Pittsview are—

141 126 112 95 83 60

These rates are greatly in excess of the average rates over two-line hauls for like distances in this territory and to the extent that they exceed the rates concurrently maintained on like traffic to Cordele they are unduly discriminatory.

(f) On the route to Rome, Ga., Eden, Ala., is representative of the highest rated points on the Southern Railway between Birmingham and Rome. The rates to Eden are—

127 111 98 82 68 51

Eden is 448 miles from New Orleans. The average rates made over two-line hauls for distances of 450 miles in this territory are—

114 100 89 74 62 50

We are of the opinion that any rates maintained to intermediate points which are higher than the rates concurrently maintained to Rome are unduly discriminatory.

SUBDIVISION L.

RATES FROM OHIO RIVER CITIES, CHICAGO, AND ST. LOUIS TO INTERIOR BASING POINTS.

1. Rates from Louisville to Atlanta.

Route: Louisville & Nashville Railroad to Nashville; Nashville, Chattanooga & St. Louis Railway, Nashville to Atlanta; 474 miles.

Rates: The rates to Atlanta and to intermediate stations on this line are shown in section 1 of subdivision D.

2. Rates from Cincinnati to Atlanta.

Route: Cincinnati, New Orleans & Texas Pacific Railway, Cincinnati to Chattanooga; Southern Railway, Chattanooga to Atlanta; 492 miles.

Rates: The rates to all stations on the Southern Railway, Chattanooga to Atlanta, are shown in section 8 of subdivision D.

3. Rates from Louisville to Birmingham.

Route: Louisville & Nashville Railroad; 394 miles.

Rates: Below are shown the rates from Louisville to all points on the Louisville & Nashville Railroad between Riversburg, Tenn., and Birmingham:

Louisville, Ky., to—	1	2	3	4	5	6
Riversburg, Tenn.....	80	69	58	53	47	42
Pulaski, Tenn.....	82	71	59	54	48	43
Aspen Hill, Tenn.....	84	72	60	55	49	44
Prospect, Tenn.....	87	75	61	56	50	45
Elkmont, Ala.....	87	75	61	56	50	43
Decatur, Ala.....	79	69	58	47	40	30
Holmes Gap, Ala.....	93	79	63	58	53	47
Cullman, Ala.....	96	81	64	59	54	47
Hanceville, Ala.....	96	81	64	59	54	49
Bangor, Ala.....	99	83	65	60	55	45
Reids, Ala.....	99	83	65	60	54	43
Warrior, Ala.....	99	85	66	60	53	41
Morris, Ala.....	94	82	66	58	50	39
Birmingham, Ala.....	79	69	58	47	40	30

4. Cincinnati to Birmingham.

Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Alabama Great Southern Railroad, Chattanooga to Birmingham; 491 miles.

Rates: Below are shown the rates from Cincinnati to all stations on the Alabama Great Southern Railroad, Chattanooga to Birmingham:

Cincinnati, Ohio, to—		2	3	4	5	6
Chattanooga, Tenn.....	70	60	53	44	38	29
Wildwood, Ga.....	85	73	64	53	45	35
Morganville, Ga.....	93	80	70	58	50	38.5
Rising Fawn, Ga.....	98	85	74	61	52	41
Sulphur Springs, Ga.....	98	87	78	63	52	41
Williams Spur, Ala.....	98	87	75	61	52	39.5
Trussville, Ala.....	98	87	78	63	52	41
Birmingham, Ala.....	89	79	68	55	47	36

5. Rates from Louisville to Athens.

Route: Louisville & Nashville Railroad to Nashville; Nashville, Chattanooga & St. Louis Railway, Nashville to Atlanta; Seaboard Air Line Railway, Atlanta to Athens; 545 miles.

Rates: The rates to stations north of Atlanta are shown in section 1 of subdivision D.

The rates from Louisville to all stations between Atlanta and Athens are shown below:

Louisville, Ky., to—	1	2	3	4	5	6
Atlanta, Ga.....	98	87	78	63	52	41
Tucker, Ga.....	116	105	86	68	56	50
Lilburn, Ga.....	116	107	86	68	56	50
Athens, Ga.....	103	90	81	65	54	43

6. Rates from Cincinnati to Athens.
Route: Cincinnati, New Orleans & Texas Pacific Railway to Chattanooga; Southern Railway, Chattanooga to Atlanta; Seaboard Air Line, Atlanta to Athens; 565 miles.
Rates: The rates to intermediate stations north of Atlanta are shown in section 8 of subdivision D.
Below are shown the rates from Cincinnati to all stations on the Seaboard Air Line, Atlanta to Athens:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Atlanta, Ga.....	98	87	78	63	52	41
Howells, Ga.....	110	98	86	68	56	47
Montreal, Ga.....	116	102	86	68	56	50
Tucker, Ga.....	116	105	86	68	56	50
Lilburn, Ga.....	116	107	86	68	56	50
McLeroy, Ga.....	116	104	86	68	56	50
Athens, Ga.....	103	90	81	65	54	43

7. Rates from Louisville to Cordele, Ga.
Route: Louisville & Nashville Railroad to Montgomery; Seaboard Air Line Railway, Montgomery to Cordele; 660 miles.
Rates: The rates to intermediate stations on the Seaboatd Air Line, Montgomery to Cordele, are shown in section 5 of subdivision D.
8. Rates from Cincinnati to Cordele.
Route: Cincinnati, New Orleans & Texas Pacific Railway to Macon; Georgia Southern & Florida Railway, Macon to Cordele; 645 miles.
Rates: The rates to intermediate stations on the Southern Railway north of Macon are shown in section 8 of subdivision D. The rates to stations on the Georgia Southern & Florida, Macon to Cordele, are shown in section 7 of subdivision I.
9. Rates from Louisville to Rome, Ga.
Route: Louisville & Nashville Railroad to Nashville; Nashville, Chattanooga & St. Louis Railway to Kingston, Ga.; Rome Railroad, Kingston to Rome; 441 miles.
Rates: The rates to intermediate stations, Chattanooga to Kingston, are shown in section 1 of subdivision D. Rome is on the Rome Railroad, 18 miles west of Kingston, and the rates to Rome are—

98 87 78 63 52 41

10. Rates from Cincinnati to Rome.

Route: Cincinnati, New Orleans & Texas Pacific Railway, Cincinnati to Chattanooga; Southern Railway, Chattanooga to Rome; 426 miles.

Rates: The rates to Rome and to intermediate stations on this route are shown in section 8 of subdivision D.

11. Rates from Cairo, Ill., to Meridian, Miss.

Route: Mobile & Ohio Railroad; 367 miles.

Rates: The rates to Meridian and to intermediate stations on this route are shown in section 2 of subdivision E.

12. Rates from St. Louis to Meridian.

Route: Mobile & Ohio Railroad; 522 miles.

Rates: The rates from St. Louis to Meridian and to intermediate stations on this route are shown in section 13 of subdivision E.

13. Rates from Chicago to Meridian.

Route: Illinois Central Railroad to Cairo, Ill.; Mobile & Ohio Railroad, Cairo to Meridian; 731 miles.

Rates: The rates from Chicago to Meridian and to intermediate stations on the Mobile & Ohio Railroad are shown in section 16 of subdivision E.

14. Rates from Louisville to Meridian.

Route: Louisville & Nashville Railroad to Birmingham, Ala.; Alabama Great Southern Railroad, Birmingham to Meridian; 547 miles.

Rates: Below are shown the class rates from Louisville to all stations on the Alabama Great Southern Railroad, Birmingham to Meridian:

Louisville, Ky., to—	1	2	3	4	5	6
Birmingham, Ala.....	79	69	58	47	40	30
Jonesboro, Ala.....	94	82	69	56	47	36
Woodstock, Ala.....	102	89	75	61	52	39.5
Dowdle, Ala.....	118	104	89	72	62	48
Blount, Ala.....	104	86	67	62	55	42
Vance, Ala.....	108	94	79	64	55	42
Fleming, Ala.....	113	99	83	67	58	44.5
Grimes, Ala.....	106	94	80	67	57	44
Tuscaloosa, Ala.....	108	94	79	64	55	42
Crabtree, Ala.....	105	94	80	67	57	44
Moundville, Ala.....	113	101	86	72	62	47.5
Stewart, Ala.....	119	106	88.5	75	65	50
McClure, Ala.....	123	106	87	74	64	52.5
Hairston, Ala.....	117	101	83	71	61	52.5
Fowler, Ala.....	111	96	79	68	58	50
York, Ala.....	99	86	71	62	52	45
Livingston, Ala.....	105	91	75	65	55	47.5
Meridian, Miss.....	98	84	70	59	49	43

15. Rates from Cincinnati to Meridian.

Route: Cincinnati, New Orleans & Texas Pacific Railroad, Cincinnati to Chattanooga; Alabama Great Southern Railroad, Chattanooga to Meridian; 634 miles.

Rates: Below are shown the rates from Cincinnati to stations on the Alabama Great Southern Railroad, Birmingham to Meridian:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Birmingham, Ala.....	89	79	68	55	47	36
Jonesboro, Ala.....	104	92	79	64	54	42
Woodstock, Ala.....	112	99	85	69	59	45.5
Dowdle, Ala.....	118	104	89	72	62	48
Blount, Ala.....	114	96	77	70	62	48
Vance, Ala.....	118	104	89	72	62	48
Fleming, Ala.....	123	109	93	75	65	50.5
Grimes, Ala.....	115	104	90	75	64	50
Tuscaloosa, Ala.....	118	104	89	72	62	48
Crabtree, Ala.....	115	104	90	75	64	50
Moundville, Ala.....	123	111	96	80	69	53.5
Stewart, Ala.....	129	116	98.5	83	72	56
McClure, Ala.....	133	116	97	82	71	58.5
Hairston, Ala.....	127	111	98	79	68	58.5
Fowler, Ala.....	121	106	89	76	65	56
York, Ala.....	109	96	81	70	59	51
Livingston, Ala.....	115	101	85	73	62	53.5
Meridian, Miss.....	106	92	78	66	55	48

16. Rates from Cairo, Ill., to Jackson, Miss.

Route: Illinois Central Railroad; 373 miles.

Rates: The rates from Cairo to Jackson and intermediate stations are shown in section 1 of subdivision E.

17. Rates from St. Louis to Jackson.

Route: Illinois Central Railroad; 525 miles.

Rates: The rates from St. Louis to Jackson and intermediate stations on the Illinois Central Railroad are shown in section 12 of subdivision E.

18. Rates from Chicago to Jackson.

Route: Illinois Central Railroad; 737 miles.

Rates: The rates from Chicago to Jackson, Miss., and intermediate stations are shown in section 15 of subdivision E.

19. Rates from Louisville to Jackson.

Route: Louisville & Nashville Railroad to Milan, Tenn.; Illinois Central Railroad, Milan to Jackson; 564 miles.

Rates: The rates from Louisville to all stations on the Illinois Central Railroad south of Milan are shown below:

Louisville, Ky., to—	1	2	3	4	5	6
Milan, Tenn.....	78	67	57	46	33	29
Medina, Tenn.....	82	71	59	48	33	31
Jackson, Tenn.....	86	74	62	50	35	33
Medon, Tenn.....	93	78	66	53	40	38
Toone, Tenn.....	94	81	66	54	43	38
Bolivar, Tenn.....	95	81	66	55	43	38
Middleburg, Tenn.....	96	82	67	55	45	38
Grand Junction, Tenn.....	96	83	68	56	45	38
Michigan City, Miss.....	97	84	68	56	45	38
Holly Springs, Miss.....	98	82	69	57	45	39
Waterford, Miss.....	98	85	69	57	45	39
Abbeville, Miss.....	99	85	69	57	45	39
Oxford, Miss.....	101	86	69	58	47	40
Taylor, Miss.....	102	86	70	59	47	40
Water Valley, Miss.....	108	90	72	60	50	43

Louisville, Ky., to—	1	2	3	4	5	6
Coffeeville, Miss.....	112	92	73	62	51	43
Grenada, Miss.....	114	94	74	63	51	43
Valden, Miss.....	114	94	74	63	51	46
Goodman, Miss.....	119	99	76	65	54	46
Pickens, Miss.....	122	99	80	67	55	48
Vaughan, Miss.....	122	99	82	67	55	48
Canton, Miss.....	123	100	83	68	56	49
Jackson, Miss.....	98	84	70	59	49	43

20. Rates from Cincinnati to Jackson.

Route: Louisville & Nashville Railroad to Milan; Illinois Central Railroad, Milan to Jackson; 678 miles.

Rates: The rates from Cincinnati to all stations on the Illinois Central Railroad, Milan to Jackson, are shown below:

Cincinnati, Ohio, to—	1	2	3	4	5	6
Milan, Tenn.....	91	78	65	53	39	34
Medina, Tenn.....	95	87	67	55	39	36
Jackson, Tenn.....	99	85	70	57	41	38
Medon, Tenn.....	102	86	74	60	46	43
Toone, Tenn.....	103	89	74	61	49	43
Bolivar, Tenn.....	104	89	74	62	49	43
Hickory Valley, Tenn.....	105	90	75	62	51	43
Grand Junction, Tenn.....	105	91	76	63	51	43
Michigan City, Miss.....	106	92	76	63	51	43
Holly Springs, Miss.....	107	92	77	63	51	44
Waterford, Miss.....	107	93	77	64	51	44
Abbeville, Miss.....	108	93	77	64	51	44
Oxford, Miss.....	110	94	77	65	53	45
Taylor, Miss.....	111	94	78	66	53	45
Water Valley, Miss.....	117	98	80	67	56	48
Coffeeville, Miss.....	121	100	81	69	57	48
Memphis Junction, Miss.....	123	102	82	70	57	48
Goodman, Miss.....	126	107	84	72	60	51
Pickens, Miss.....	131	107	88	74	61	53
Vaughan, Miss.....	131	107	90	74	61	53
Canton, Miss.....	132	108	91	75	62	54
Ridgeland, Miss.....	131	108	91	75	62	54
Jackson, Miss.....	106	92	78	66	55	48

THE DEFENSE.

The defense of the carriers for the maintenance of lower rates from the Ohio River crossings to Atlanta, Birmingham, Athens, Rome, Cordele, Meridian, and Jackson, and lower rates from Chicago, and St. Louis to Meridian and Jackson, than to intermediate points, rests upon the following grounds:

1. It is claimed that the rates from the Ohio River crossings, St. Louis, and Chicago to each point of destination here named have been influenced by the competition of other routes between the same points, by the competition of routes serving these points from eastern cities, and by the competition of these points of destination, one with another and with other near-by points, for the distributing trade in the surrounding territory.

2. That the rates are subnormal.

3. That they pay more than the additional cost of handling.

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4. That the rates to the intermediate points are not unreasonable.

(a) Atlanta, Ga. The reasons relied upon by the carriers as necessitating lower rates from Louisville and Cincinnati to Atlanta than to intermediate points are the competition met at that point of rates from eastern cities and the competition of other distributing centers for trade in common territory. We have shown in subdivision J of this report that the rates on the numbered classes to Atlanta from Baltimore and the Ohio River crossings have been on a parity since 1879. This parity of rates was the outcome of strife, competition, discussion, and agreement between the various carriers operating routes from the west and from the east. The present level of rates, however, from the west to Atlanta has not been brought about by increased competition, but has resulted from other causes explained in subdivision J.

We have held in subdivision J that the carriers operating routes from the east to Atlanta are not justified in the maintenance of lower rates thereto than to intermediate points. The carriers from the west are under no disadvantage to Atlanta as compared with the eastern carriers, either in distance or in relative strength of carriers involved. The statement of the desire of Atlanta to compete with Macon, Augusta, or other points in surrounding territory is not any more than can be stated of other points intermediate thereto. Upon the whole record we are of the opinion that the maintenance of lower rates to Atlanta than to intermediate points from Cincinnati, Louisville, and other Ohio River crossings constitutes undue preference to Atlanta and undue discrimination against intermediate points.

(b) Birmingham, Ala. The principal reasons urged by the petitioners herein for the maintenance of lower rates from Cincinnati and Louisville to Birmingham than to intermediate points are the competition of other routes to Birmingham through other gateways, the competition met at Birmingham of carriers serving eastern cities, and the competition between Montgomery and Birmingham as rival distributing centers.

The present adjustment of class rates from the Ohio and Mississippi river crossings to Birmingham was established in 1888 and 1889. In the year 1888 the Kansas City, Memphis & Birmingham Railroad, now the St. Louis & San Francisco, published a revised line of class rates from Memphis to Birmingham. The above-named railroad, from the time of its completion in 1887, had taken the position that the rates from Memphis to Birmingham were too high as compared with the rates from Nashville, Tenn. Then as now all the lower Ohio River crossings, including Louisville, took the same rates to Birmingham, while the rates on the numbered classes from Cincinnati were higher and the rates from Memphis on all classes were 4 cents lower.

Below are shown the rates effective at that time from Cincinnati, Louisville, and other lower crossings and from Memphis to Birmingham, Ala., from—

Cincinnati, Ohio.....	108	102	88	71	59	47
Louisville, Ky., and all lower crossings.....	98	92	78	63	52	41
Memphis, Tenn.....	94	88	74	59	48	37

The new rates from Memphis then established by the Kansas City, Memphis & Birmingham were—

75 65 54 43 36 26

These rates were then and are now observed as maxima at intermediate points. The St. Louis & San Francisco Railroad observed the fourth section as to class rates from Memphis to Birmingham, but published very many commodity rates between these two points, which are not made applicable to intermediate points.

The testimony shows that some of the lines operating from and through the Ohio River crossings earnestly objected to the reductions in rates proposed by the Kansas City, Memphis & Birmingham from Memphis, but subsequently met the reductions by corresponding reductions from Cairo, Evansville, Louisville, and Cincinnati. The reductions made by the Kansas City, Memphis & Birmingham from Memphis applied only to the numbered classes and class E. The reductions made by the lines operating from the Ohio River to Birmingham were not extended to intermediate points.

The mileage to Birmingham is from Memphis, 251; from Louisville, 394; from Evansville, 364; from Thebes, 362; from Cairo, 334; and from Cincinnati, 481.

Traffic from a large territory lying north of the Ohio River is routed through all of these gateways to Birmingham. It is not contended that Memphis is itself an important manufacturing center, able to supply to Birmingham any large measure of articles moving under the numbered class rates. As a gateway it is nearer than the gateways on the Ohio River, but it does not appear that the routes through the Ohio River cities are at any substantial disadvantage as against the Memphis routes on traffic from the great western centers, Chicago, St. Louis, Omaha, or Kansas City. Neither is it true that these routes from the Ohio River are at any disadvantage at Birmingham as against the routes from the eastern cities. The competition between Birmingham and Montgomery furnishes no justification for the maintenance of lower rates thereto than to intermediate points. Upon the whole record we are of the opinion that justification has not been shown for the maintenance of lower rates from the Ohio River crossings to Birmingham than to intermediate points.

(c) Athens, Ga. The justification urged by the carriers for the maintenance of lower rates from Cincinnati and Louisville to Athens than to intermediate points is the competition met at that point of

carriers serving eastern cities and the competition of Augusta, Atlanta, Macon, and other cities for trade in the surrounding territory.

It is true that these petitioners meet at Athens the competition of routes from the eastern cities, but it is a competition concerning which they are at no material disadvantage. The competition Athens meets as a distributing center does not differ from that against which other cities in the same territory contend. Upon the whole record we are of the opinion that justification has not been shown for the continuance of lower rates from the Ohio River crossings to Athens than to intermediate points.

(d) Cordele, Ga. The defense of the carriers for the maintenance of lower rates from Cincinnati and Louisville to Cordele than to intermediate points is the competition met at that point of carriers serving eastern cities and the competition for distributing trade between Cordele, Americus, Albany, and other points. We have held in subdivision J that justification does not exist for lower rates from eastern cities to Cordele than to intermediate points. We find no justification for lower rates from the Ohio River crossings to Cordele than to intermediate points.

(e) Rome, Ga. The defense in the case of Rome is similar to that of Athens and Atlanta—the competition of eastern markets of supply and the competition with other centers of distribution for trade in the surrounding territory. The routes from the Ohio River are under no disadvantage as to the competition from eastern markets met at Rome, and no justification has been shown for making lower rates from the Ohio River cities to Rome than to intermediate points.

(f) Meridian and Jackson, Miss. On account of the parity between the rates at these two points and their position as rival distributing centers, they will be considered together. It has been the fixed policy of the Mobile & Ohio Railroad and other lines serving Meridian from the Ohio River cities to maintain rates to Meridian not higher than the rates concurrently maintained to Jackson via the Illinois Central. Jackson is but 44 miles from Vicksburg, Miss., via the Alabama & Vicksburg Railroad, and it is claimed that its proximity to Vicksburg necessitates lower rates than otherwise would apply. The rates to points between Vicksburg and Jackson, however, are higher than to Jackson. Jackson does not, therefore, obtain its depressed rates by its proximity to Vicksburg and the combination rates made on that point. The rates may have been influenced by the rates to Vicksburg, but it is the market competition between the two points as distributing centers that has influenced the carriers serving Jackson to depress the rates to that point.

Meridian is 96 miles east of Jackson on the Alabama & Vicksburg Railway. The competition between these two points as distributing centers has induced the Mobile & Ohio Railroad and other carriers to

keep the rates to Meridian on a parity with the rates to Jackson. The carriers serving these two points from the Ohio River are at no disadvantage as against the carriers serving the same points from the eastern cities.

Upon the whole record we are of the opinion that justification has not been shown for continuing lower rates from Chicago, St. Louis, or the Ohio River cities to Meridian or Jackson than to intermediate points.

Are these rates subnormal?

Below are shown the rates and distances to each point:

From—	Miles.	1	2	3	4	5	6
Louisville to Atlanta.....	474	98	87	78	63	52	41
Cincinnati to Atlanta.....	492	98	87	78	63	52	41
Louisville to Birmingham.....	394	79	69	58	47	40	30
Cincinnati to Birmingham.....	491	89	79	68	55	47	36
Louisville to Athens.....	545	103	90	81	65	54	43
Cincinnati to Athens.....	565	103	90	81	65	54	43
Louisville to Cordele.....	660	123	107	96	78	65	52
Cincinnati to Cordele.....	645	123	107	96	78	65	52
Louisville to Rome.....	441	98	87	78	63	52	41
Cincinnati to Rome.....	426	98	87	78	63	52	41
Cairo to Meridian.....	367	83	72	60	51	42	37
St. Louis to Meridian.....	522	98	84	70	59	49	43
Chicago to Meridian.....	731	118	99	80	67	56	49
Louisville to Meridian.....	547	98	84	70	59	49	43
Cincinnati to Meridian.....	634	106	92	78	66	55	48
Cairo to Jackson.....	373	83	72	60	51	42	37
St. Louis to Jackson.....	525	98	84	70	59	49	43
Chicago to Jackson.....	737	118	99	80	67	56	49
Louisville to Jackson.....	564	98	84	70	59	49	43
Cincinnati to Jackson.....	678	106	92	78	66	55	48

While these rates are relatively higher than the rates to the south Atlantic ports and are slightly higher than the rates to the river points, Augusta, Montgomery, Memphis, or Columbus, they are, however, less than the average rates for like distances in this territory made to noncompetitive points as shown from Exhibit No. 117. As compared, therefore, with the rates to noncompetitive points in this territory they are subnormal.

They probably pay more than the additional cost of handling.

Are the rates to intermediate points unreasonable?

(a) On the route from Louisville to Atlanta the highest rated intermediate point is Kennesaw, Ga., 29 miles north of Atlanta and 445 miles from Louisville. The rates to Kennesaw are—

118 102 90 75 62 48

Average rates for two-line hauls of 450 miles are—

114 100 89 74 62 50

It is apparent that the rates to Kennesaw compare closely with the average rates made over like distances in this territory, but to the extent that they exceed the rates concurrently applicable to Atlanta they are unduly discriminatory.

(b) On the route from Cincinnati to Atlanta the highest rated point is McPherson, Ga., 41 miles north of Atlanta on the Southern

Railway, and 451 miles from Cincinnati. The rates to McPherson are—

131 116 104 87 71 56

These rates to McPherson and to all the stations between Lindale, Ga., and Chattahoochee materially exceed the average rates made for like distances over two-line hauls in this territory, and to the extent that they exceed the rates concurrently applicable to Atlanta they are unduly discriminatory.

(c) On the route from Louisville to Birmingham the highest rated stations are those Bangor to Blount Springs, Ala., 35 miles north of Birmingham and 359 miles from Louisville. The rates to these stations are—

99 83 65 60 55 45

The average rates made over one-line hauls for distances of 350 miles are—

103 89 73 69 55 47

The rates to Blount Springs are less than the average rates for like distances. To the extent, however, that they exceed the rates concurrently applicable to Birmingham they are unduly discriminatory.

(d) On the route from Cincinnati to Birmingham the highest rated points are those in the vicinity of Sulphur Springs, Ga., 369 miles from Cincinnati. The rates to Sulphur Springs are—

98 87 78 63 52 41

These rates compare with the average rates made over two-line hauls for like distances in this territory, but to the extent that they exceed the rates concurrently applicable to Birmingham they are unduly discriminatory.

(e) On the route from Louisville to Athens the line passes through Atlanta and the rates to points intermediate to Atlanta were discussed in paragraph (a). The points between Athens and Atlanta take approximately the same rates, namely:

116 105 86 68 56 50

These rates are made over an average haul of about 510 miles and are less than the average rates made for like distances over two-line hauls in this territory, but to the extent that they exceed the rates concurrently maintained to Athens they are unduly discriminatory.

(f) The route from Cincinnati to Athens is through Atlanta. The rates to intermediate points are the same as from Louisville. The distances are approximately the same, and the conclusions reached with reference to their discriminatory character are the same as announced in paragraph (e).

(g) On the route from Louisville to Cordele the highest rated points are Pittsview and Cottonton, Ala., 73 miles east of Montgomery and 551 miles from Louisville. The rates to Pittsview are—

151 133 122 102 87 65

Average rates for two-line hauls of 550 miles are—

128 112 99 83 69 56

These rates to Pittsview and to many of the stations on the Seaboard Air Line on the route to Cordele are greatly in excess of the average rates for like distances in this territory, and to the extent that they exceed the rates concurrently applicable to Cordele they are unduly discriminatory.

(h) On the route from Cincinnati to Cordele the highest rated point on the Georgia Southern & Florida between Macon and Cordele is Vienna, Ga., nine miles north of Cordele and 636 miles from Cincinnati. The rates to Vienna at the time the testimony in this case was taken were—

143 125 112 91 76 61

Average rates for 650 miles are—

137 118 106 90 74 60

The rates to Vienna and to other stations on the Georgia Southern & Florida exceed to some extent the average rates made for like distances over two-line hauls in this territory, and to the extent that they exceed the rates concurrently applicable to Cordele they are unduly discriminatory.

(i) On the route from Louisville to Rome the highest rated point is Kingston, Ga., 18 miles east of Rome and 423 miles from Louisville. The rates to Kingston are

109 96 84 72 59 45

These rates correspond reasonably to the average rates made over two-line hauls for like distances and do not appear to be unreasonable, but to the extent that they exceed the rates concurrently applicable on like traffic to Rome they are unduly discriminatory.

(j) On the route from Cincinnati to Rome the highest rated point is Oostanaula, Ga., 90 miles north of Rome and 399 miles from Cincinnati. The rates to Oostanaula are—

122 106 95 81 67 52

Average rates over two-line hauls of 400 miles are—

112 98 87 72 60 49

To the extent that these rates to stations between Chattanooga and Rome exceed the rates concurrently applicable to Rome they are unduly discriminatory.

(k) On the route from Cairo to Meridian the highest rated point is Lauderdale, Miss.; 18 miles north of Meridian and 349 miles from Cairo. The rates to Lauderdale are—

99 82 71 60 49 43

These rates are less than the average rates made for like distances over one-line hauls in this territory and do not appear to be unreasonable, but to the extent that they exceed the rates concurrently applicable to Meridian they are unduly discriminatory.

(l) On the route from St. Louis to Meridian, Lauderdale, Miss., is the high-rate point and 504 miles from St. Louis, with rates of—

133 111 95 78 62 54

Average rates over one-line hauls of 500 miles are—

116 99 83 70 60 51

To the extent that these rates exceed the rates concurrently applicable to Meridian they are unduly discriminatory.

(m) On the route from Chicago to Meridian, Lauderdale, Miss., is the high-rate point, 713 miles from Chicago, with rates of—

144 119 102 84 68 59

These rates are less than the average rates made over two-line hauls for like distances, but they are unduly discriminatory to the extent that they exceed the rates concurrently applicable on like traffic to Meridian.

(n) On the route from Louisville to Meridian the high-rate point is Stewart, Ala., 75 miles north of Meridian and 472 miles from Louisville, with rates of—

119 106 88.5 75 65 50

These rates fairly compare with the average rates made over two-line hauls of like distances, but to the extent that they exceed the rates concurrently applicable to Meridian they are unduly discriminatory.

(o) On the route from Cincinnati to Meridian, Stewart, Ala., is the high-rate point 559 miles from Cincinnati, with rates of—

129 116 98.5 83 72 56

These rates compare reasonably with average rates made over two-line hauls for like distances, but they are unduly discriminatory to the extent that they exceed the rates concurrently applicable to Meridian.

(p) On the route from Cairo to Jackson, the highest rated point is Canton, Miss., 23 miles north of Jackson, 350 miles from Cairo, with rates of—

89 71 59 50 43 38

These rates are less than the average rates made for like distances over one-line hauls in this territory. To the extent, however, that they exceed the rates concurrently applicable on like traffic to Jackson they are unduly discriminatory.

(q) On the route from St. Louis to Jackson, Canton, Miss., is the high-rate point, 502 miles from St. Louis, with rates of—

123 100 83 68 56 49

These rates compare reasonably with the average rates over one-line hauls of 500 miles in this territory. To the extent, however, that they exceed the rates concurrently applicable on like traffic to Jackson they are unduly discriminatory.

(r) On the route from Chicago to Jackson, Canton, Miss., is the high-rate point, 714 miles from Chicago, with rates of—

134 108 . 91 75 62 54

These rates compare favorably with average rates for one-line hauls over like distances in this territory, but they are unduly discriminatory to the extent that they exceed the rates concurrently applicable to Jackson.

(s) On the route from Louisville to Jackson, Canton, Miss., is the high-rate point, with rates from Louisville the same as from St. Louis shown in paragraph (q). These rates are made over a haul of 521 miles. They are not higher than average rates for like distances in this territory, but they are unduly discriminatory to the extent that they exceed the rates concurrently applicable to Jackson.

(t) On the route from Cincinnati to Jackson, Canton, Miss., is the high-rate point, 655 miles from Cincinnati. The rates to Canton are—

132 108 91 75 62 54

These rates compare favorably with average rates made over two-line hauls for like distances, but to the extent that they exceed the rates concurrently applicable to Jackson they are unduly discriminatory.

RATES ON THE LETTERED CLASSES.

While the testimony in these cases has been fairly full as to the rates on the numbered classes, it has been in some instances silent, and in other instances meager, as to the rates upon lettered classes. In those situations covered by this report in which relief from the fourth section requirements is denied as to the numbered classes, the primary reason for the denial is that the depression of rates to the more distant points has not been justified by the circumstances there existing. The reasons urged as justifying relief in respect to the lettered classes are not different from those which have been described as to the numbered classes, and in all such situations relief will be denied both as to lettered and numbered classes. In those situations described herein where relief is afforded from the provisions of the fourth section as to the numbered classes, and the carriers are authorized to continue higher rates to intermediate points, with the limitation that these rates must not exceed the average rates for like distances over one or two line hauls, as shown from Exhibit No. 117, this limitation will apply both as to numbered and lettered classes. In those situations described in the report where relief from the provisions of the fourth section is authorized with the provision that the rates to intermediate points shall not exceed certain rates herein named on the numbered classes, the rates on the lettered classes must not be higher than the rates on the lettered classes shown in Exhibit 117 as corresponding to the rates named therein on the numbered classes.

COMMODITY RATES.

The disparities shown above between the class rates to the long-distance points, on the one hand, and to the intermediate points, on the other, are not fairly representative of the disparities that exist as to commodity rates. The cities of Atlanta, Birmingham, Athens, Augusta, Rome, Charleston, Savannah, Brunswick, Jacksonville, New Orleans, Mobile, Montgomery, Memphis, and many other important places, have a large number of special commodity rates from eastern cities, New Orleans, and Ohio River crossings. These commodity rates are usually materially lower than the rates on the classes in which these commodities belong. Comparatively few commodity rates are made to the intermediate points. Washburn's southeastern tariff No. 9, I. C. C. No. 108, contains approximately 160 items on which special commodity rates are named from Cincinnati to Atlanta. The same tariff contains but 20 items on which special commodity rates are named to Kennesaw, an intermediate point on the Nashville, Chattanooga & St. Louis Railway. The items given below have been selected from this tariff, and the rates on the several items examined from Cincinnati to Atlanta, Birmingham, Augusta, Macon, Savannah, and New Orleans, together with the rates on the same items to the intermediate points, Kennesaw, intermediate to Atlanta, Blount Springs, intermediate to Birmingham, Greenwood, S. C., intermediate to Augusta, Bibb, Ga., intermediate to Macon, Allendale, S. C., intermediate to Savannah, and Atmore, Ala., intermediate to New Orleans.

The situation may perhaps be fairly illustrated by showing the class rates and the commodity rates on these 19 items to Atlanta and to Kennesaw:

Item.	Rate.	From Cincinnati to—	
		Atlanta.	Kennesaw.
1. Agricultural and cultivating implements, corn planters, cultivators, etc.	Class.....	\$0. 41	\$0. 48
	Commodity.....	.35	.45
2. Brick, common.....	Class.....	.28	.255
	Commodity.....	.13	.125
3. Canned goods, viz, beef, pork, sausage, tripe, in metal cans.	Class.....	.36	.48
	Commodity.....	.36	.48
4. Canned goods, broths, oyster oysters, fish, etc., in metal cans, in barrels, boxes, or crates.	Class.....	.52	.62
	Commodity.....	.41	.54
5. Same, l. c. l., in boxes or barrels.....	Class.....	.78	.90
	Commodity.....	.57	.75
6. Canned meats, combined with vegetables, in metal cans, in boxes, barrels or crates.	Class.....	.52	.57
	Commodity.....	.36	.48
7. Portland cement, or natural, in barrels or bags....	Class.....	.28	.29
	Commodity.....	.16	.1725
8. Crackers, bread, cakes, in boxes or barrels.....	Class.....	.52	.62
	Commodity.....	.52	.64
9. Crackers, bread, cakes, and cracker meal, in barrels or boxes, l. c. l.	Class.....	.63	.75
	Commodity.....	.52	.71
10. Fertilizer, as per southern classification.....	Class.....	.41	.345
	Commodity.....	.16	.215
11. Furniture, viz, chair or furniture stuff or stock, wooden, k. d., in the rough or white, and chairs, k. d., in the white.	Class.....	.52	.62
	Commodity.....	.30	.44

Item.	Rate.	From Cincinnati to—	
		Atlanta.	Kennesaw.
12. Household goods, rated sixth class in southern classification.	{Class.....	\$0.41	\$0.51
	{Commodity.....	.23	.33
13. Iron and steel articles, bars and billets.....	{Class.....	.41	.345
	{Commodity.....	.14	.1778
14. Live stock, released, viz, cattle, per car.....	{Class.....		
	{Commodity.....	85.00	81.00
15. Building material, wooden, viz, rough or dressed lumber, lath, shingles, sash, doors, blinds, molding, etc.	{Class.....	.41	.51
	{Commodity.....	.28	.38
16. Molasses and sirup (except fountain and coloring sirup) o. r. l., in bulk in barrels or in tin cans, boxed or jacketed, also glucose sirup or corn sirup in tin cans, boxed or jacketed, straight or mixed carloads.	{Class.....	.52	.62
	{Commodity.....	.32	.44
17. Glucose or corn sirup, in tank cars.....	{Class.....	.52	.62
	{Commodity.....	.28	.40
18. Pickles, vinegar, sauerkraut, mustard (prepared), horse-radish, catsup, etc., in glass or earthenware, packed in barrels or boxes, or in bulk in barrels or pails.	{Class.....		
	{Commodity.....	.52	
19. Stoves and ranges (except alcohol and gas, gasoline, oil and vapor stoves and ranges) hollow ware, stove and range furniture.	{Class.....	.52	.62
	{Commodity.....	.48	.58

1 Carload rate.

Of the 19 items enumerated above, the establishment of such commodity rates as exist on these items has had the effect of increasing the discrimination against Kennesaw in 10 cases, the discrimination remains unchanged in 5 cases, and in 4 cases there is no discrimination apparently in the rates.

The station Blount Springs, intermediate to Birmingham, appears to be a place of small relative importance and has few, if any, commodity rates. The disparity between the rates to Blount Springs and to Birmingham, as shown by the rates on classes, has been increased by the establishment of commodity rates on these 19 items in 14 of the 19 cases.

Greenwood, S. C., intermediate to Augusta, takes higher class rates than Augusta. The disparity between Greenwood rates and the Augusta rates, as shown by the rates on the classes, has been increased through the establishment of commodity rates on these 19 items in 5 cases, and has been decreased in 8 cases.

Bibb, Ga., is intermediate to Macon, and is a place of small relative importance as compared with Macon. The establishment of commodity rates on these 19 items has apparently increased discrimination against Bibb in but two cases, and decreased discrimination in 5 cases.

Allendale, S. C., is intermediate to Savannah. The establishment of commodity rates on the items shown above has increased discrimination in 11 cases, and decreased discrimination in 4 cases.

Atmore, Ala., is intermediate to New Orleans, and the commodity rates established on these 19 items have increased the discrimination

in 13 cases, while in 6 cases the discrimination has remained unchanged.

Many of the commodities which are shipped to the large consuming centers like Atlanta, Birmingham, and New Orleans, never have moved and may never move to some of the intermediate stations, irrespective of what the rate may be. The intermediate points are in many instances of relatively small importance to which it is unnecessary to make a large number of commodity rates. The establishment of such rates and their continuance through subsequent tariff issues would make these tariffs unnecessarily cumbersome and serve no useful purpose.

Rule 77 of Tariff Circular 18-A has been devised for the purpose of relieving the carriers from the necessity for publishing volumes of unnecessary rates, and where the rates to the more distant point have not been depressed to a level so low as to be less than reasonable rates to be applied to intermediate points, the tariffs containing such rates should carry this rule.

In all those instances covered by this report where a carrier may be authorized to publish and charge lower rates to more distant than to intermediate points, and the amounts by which the rates on the several classes to the intermediate points may exceed the rates to the more distant points has been determined or may be determined by the Commission, the rates on a commodity to an intermediate point should not exceed the rate on the same commodity to the more distant point by more than the difference in cents per 100 pounds by which the rate on the class to which that commodity belongs exceeds the rate on the same class to the more distant point. For example, in subdivision D the opinion has been expressed that the rates from the Ohio River crossings to the south Atlantic ports have been depressed by the competition of the rail-and-water routes through north Atlantic ports, a competition concerning which these petitioners are at a disadvantage. By reason of this competition the rates from Cincinnati to Savannah have been depressed to a level that is subnormal and can not in fairness be applied as maxima to intermediate points. The intermediate point, Yemassee, S. C., takes the highest rate. The rate on fifth class to this station is 66 cents per 100 pounds, while the rate on fifth class to Savannah is 58 cents. The excess is 8 cents. In case a commodity rate exists or is established on any fifth-class article to Savannah of a less amount than 58 cents the discrimination against the intermediate point will be to the extent of that reduction increased, yet the intermediate point is in no sense injured by the establishment of the commodity rate to Savannah unless there are shippers at the intermediate point who could use a commodity rate on this article were one established to that point.

Under such circumstances the requirements of the situation would be fairly met if the tariffs containing the rates on classes and commodities from Cincinnati to Savannah carried the following announcement:

This tariff contains rates which are less for longer than for shorter distances over the same line in the same direction. These rates are published under authority of Fourth Section Order No. 3866. Certain commodity rates herein published to more distant points are not applicable to intermediate points. Upon reasonable application therefor, a commodity rate will be published to any intermediate point which will not exceed the commodity rate to the next more distant point to which a rate is named by more than the rate on the class to which the commodity belongs to the intermediate point exceeds the rate on the same class to the more distant point, on one day's notice to the Commission and to the public.

The routes herein described are in all instances workable routes fairly direct, but not in all cases the short lines. In all those instances described in this report where carriers have been or may be denied authority to continue lower rates to more distant than to intermediate points on the routes named, carriers operating other routes between the same points of origin and destination which do not exceed the length of the routes herein described by 15 per cent or more, and which are meeting via such lines the rates of the lines described in the report, will be denied authority to continue lower rates to the more distant points than to points intermediate thereto. Carriers operating via circuitous routes from and to the points last described, whose lines exceed the length of the lines described in the report by 15 per cent or more, will be authorized to continue to meet the competition of the direct lines at the more distant points and to maintain higher rates to the intermediate points, provided:

(1) That the rates on classes to intermediate points do not exceed the average rates in this territory for like distances over one or more than one-line hauls, as the case may be, as shown in the order entered herein.

(2) That the tariffs containing commodity rates to the more distant points provide for the publication of commodity rates to intermediate stations upon demand, that do not exceed the commodity rates to the next more distant points to which rates are named by more than the class rates herein authorized on the classes to which such commodities belong, exceed the class rates to the more distant points.

In all those instances described in the report where carriers have been or may be authorized to continue lower rates to more distant than to intermediate points, carriers operating other routes and publishing rates from and to the same points may continue to meet the competition of the lines described in the report at the more distant points, and may continue higher rates to intermediate points under the same restrictions above prescribed with respect to indirect routes.

INVESTIGATION AND SUSPENSION DOCKET No. 287.

RATES ON IRON AND STEEL ARTICLES BETWEEN
CHICAGO, ILL., ST. LOUIS, MO., ST. PAUL, MINN., AND
OTHER POINTS, AND DES MOINES, IOWA, SIOUX
CITY, IOWA, SIOUX FALLS, S. DAK., AND OTHER
POINTS.

Submitted March 14, 1914. Decided April 16, 1914.

Proposed rates on iron and steel articles from the Mississippi River and Chicago to points in eastern Iowa, and on scrap iron from Omaha, Nebr., Sioux City, Iowa, and Sioux Falls, S. Dak., to St. Paul, Minn., found to be justified and orders suspending their operation vacated.

J. H. Henderson for Iowa Board of Railroad Commissioners and Iowa shippers.

D. N. Lewis for Iowa manufacturers and shippers.

F. W. Lehmann, jr., and *E. G. Wylie* for Greater Des Moines Committee.

P. W. Dougherty for South Dakota Board of Railroad Commissioners and Livingston Brothers.

H. E. Hanes for Central Foundry Company of New York City.

W. T. Hughes, *R. V. Fletcher*, *W. H. Bremner*, *W. F. Dickinson*, *O. W. Dynes*, *A. P. Humburg*, *R. B. Scott*, *J. B. Sheean*, *R. H. Widdicombe*, *G. Winston*, and *C. C. Wright* for respondents.

REPORT OF THE COMMISSION.

CLEMENTS, *Commissioner*:

Increases ranging from 1 to 1½ cents per 100 pounds in respondents' local rates on iron and steel articles from Chicago, and in their proportional rates from the Mississippi River, on traffic originating east of the Indiana-Illinois state line, to stations in Iowa, are made by the tariffs under suspension in this proceeding. The increases are applicable to stations as far west as Fort Dodge and Des Moines. Those of the increased rates against which protest has been made are applicable principally to the commodities contained in the so-called "merchants' iron list." Chicago will be taken as a typical point of origin. Respondents also increase their rates on scrap iron to St. Paul from 8½ to 10 cents from Sioux Falls, S. Dak., and Sioux City, Iowa, and from 14½ to 15 cents from Omaha.

Respondents explain and seek to justify the proposed rates as follows:

Rates on iron and steel articles from Chicago to eastern Iowa are made with relation to rates on the same articles from Chicago to St. Paul. The Chicago to St. Paul adjustment is influenced in turn by competition of the lake lines from Cleveland to Duluth and Superior, in connection with the rail lines thence to St. Paul. It appears that large quantities of iron and steel articles originating in the Mahoning Valley and Youngstown, Ohio, districts move through Cleveland to Duluth and Superior. Prior to 1903 the Chicago to St. Paul rates fluctuated with the opening and closing of lake navigation, but with the development at Duluth and Superior of facilities for storing iron and steel articles received during the open season for shipment out by rail during the closed months, the iron and steel traffic became of rather steady volume and the rates more stable, until in 1908 the Chicago to St. Paul rates influenced by this change in conditions via the lake-and-rail routes were fixed on the established basis at present in effect. At that time respondents' rate from Chicago to St. Paul was increased from 12½ to 14 cents, the present rate. Many of the stations in eastern Iowa are directly intermediate to St. Paul via certain routes from Chicago, and the influence on their rates by reason thereof has been extended to points on respondents' lines from Chicago west through a large part of Iowa beyond the immediate effect of the St. Paul influence. Rates to intermediate Iowa points fluctuated with the St. Paul rates prior to the establishment of the latter on the present basis, but at the time of the St. Paul readjustment by the increase from 12½ to 14 cents noted, there was no corresponding increase to the intermediate Iowa stations, the result being that the present rates to those stations are lower than to St. Paul. It is to restore these intermediate rates to what respondents claim is their proper relationship to the St. Paul rates that the increase is primarily intended, respondents also asserting in this connection that the St. Paul basis itself is abnormally low. The increase to stations directly intermediate to St. Paul, or within the immediate influence of the St. Paul adjustment, will result in rates not higher than to St. Paul. To points west of this intermediate territory the proposed rates are higher than the St. Paul rates. The range of the increase to these latter points, however, is practically the same as to eastern Iowa.

Respondents state that the basis of iron and steel rates from Chicago to Iowa is as follows:

To that part of the state east of and including Cedar Rapids the maximum from Chicago is the Chicago to St. Paul rate. To a triangular strip of territory west of Cedar Rapids, including Mason

City, the maximum rate from Chicago is the St. Louis to St. Paul rate, which is made on basis of 5 per cent over the established Chicago to St. Paul rate. To another circumscribed area west of the Mason City territory, including therein Des Moines, the maximum rate from Chicago is the St. Louis to St. Paul or St. Louis to Omaha rate, whichever is lower, plus a differential of 3 cents. To another section north of the Des Moines group and west of the northern portion of the Mason City group, rates are made on the same basis as to the Des Moines group, except that the differential added is 4 instead of 3 cents. To all points in Iowa west of the groups described, extending to and including the Missouri River cities, Kansas City, and Omaha, rates on iron and steel articles are the regular fifth-class rates under the western classification.

In a recent case brought by the Board of Railroad Commissioners of Iowa, we ordered that reductions be made in the class rates from Chicago to Iowa points by grading back across the state the class rates in effect from Chicago to the Missouri River. *Cedar Rapids Commercial Club v. C. R. I. & P. Ry. Co.*, 28 I. C. C., 76. Following is a comparison of the present and proposed rates on iron and steel articles in the tariffs now under suspension with the present and new class rates under the decision referred to:

Chicago to—	Miles.	Present rate.	Proposed rate.	Present fifth class.	New fifth class.
Des Moines.....	358	16	17.5	¹ 23.5	² 21
Cedar Rapids.....	219	12.5	14	¹ 19	² 18
Marshalltown.....	289	13	14	21	21
Waterloo.....	276	12.5	14	20	20
Mason City.....	355	13	14	¹ 21	² 21
Fort Dodge.....	375	17	18.5	¹ 24.5	² 23
Ottumwa.....	280	13	14	¹ 21	² 19
Oskaloosa.....	306	13	14	¹ 21	² 20

¹ Effective previous to April 1, 1914.

² Effective April 1, 1914.

It will be seen that the rates respondents propose in the tariffs under suspension are lower than the new fifth-class rates to the same points. Respondents state that their rates on iron and steel articles to the Missouri River (which are fifth class) graded back into Iowa would result in higher rates than they now propose.

Respondents contend that even the proposed rates will be below the proper basis on iron and steel articles, which should be fifth class, the same as applies to the western part of the state and to the Missouri River and which applies also, it may be stated, on iron and steel articles shipped throughout central freight association territory. While the conditions of transportation in central freight association territory are, respondents contend, more favorable than from Chicago to eastern Iowa, the adjustment to Iowa is not higher than for similar

distances in central freight association territory. Following is a comparison of rates from Chicago to certain Iowa points involved herein with the fifth-class rates in effect in central freight association territory for similar distances:

From—	Miles.	Rate.	From—	Miles.	Rate.
Chicago to Des Moines.....	358	17.5	Cleveland to Chicago.....	339	15
Chicago to Cedar Rapids.....	219	14	Youngstown to Chicago.....	404	16
Chicago to Fort Dodge.....	375	18.5	Terre Haute to Cincinnati.....	182	11.5
Pittsburgh to Chicago.....	468	18	Cleveland to Louisville.....	377	16
Pittsburgh to St. Louis.....	621	22.5	Chicago to Louisville.....	304	16
Pittsburgh to Dayton.....	264	14	Pittsburgh to Louisville.....	427	18

It seems clear that if we should condemn the proposed rates on iron and steel articles it would prevent the establishment or restoration by respondents of a due and equitable relationship between these rates and other rates on the same general class of traffic to western Iowa and the Missouri River, many of which are the result of recent reductions made in accordance with our own orders. It also appears that the proposed rates will not, generally speaking, be higher proportionately to distance than the general basis of rates prevailing east of the Mississippi River.

Upon a careful consideration of all the facts, circumstances, and conditions appearing of record, it is our conclusion that the proposed rates on these articles have been justified.

The proposed rate of 10 cents on scrap iron from Sioux Falls to St. Paul involves a service of 237 miles and yields 8.4 mills per ton-mile. There is now pending before the Commission a complaint alleging that the present rate on scrap iron of 15½ cents from Sioux Falls to Chicago is unreasonable to the extent it exceeds 12 cents. *Livingston Bros. v. C., M. & St. P. Ry. Co.*, Docket No. 5048. Recently the Commission permitted an increase from 8 to 10 cents in the scrap-iron rate from St. Paul to Chicago, a distance of 410 miles. *Scrap Iron Rates between Duluth and Chicago and other points*, 28 I. C. C., 467. The rate to St. Paul is 13½ cents from Watertown, S. Dak., a distance of 224 miles, and 10 cents from Fort Dodge, Iowa, a distance of 210 miles.

We conclude that the proposed rates on scrap iron will not result in an undue relationship between them and other scrap-iron rates in the same general territory, and that they have been justified.

The orders entered by us suspending the operation of the proposed rates on iron and steel articles and on scrap iron will be vacated.

80 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 295.

**RATES ON PACKING-HOUSE PRODUCTS, FRESH MEATS,
AND OTHER COMMODITIES FROM MASON CITY, IOWA,
AND OTHER POINTS TO POINTS IN ARKANSAS AND
TEXAS.**

Submitted March 16, 1914. Decided May 5, 1914.

Proposed rates on packing-house products and fresh meats from Mason City, Iowa, and Austin and South St. Paul, Minn., to Texas and Arkansas points not found to be justified and tariffs directed to be canceled.

Fred. G. Wright, F. A. Leland, and J. D. Watson for Southwestern Tariff Committee lines.

W. H. Bremner for Minneapolis & St. Louis Railroad Company.

Catherwood & Nichol森 for George A. Hormel & Company.

Senneff, Bliss & Witwer for Jacob E. Decker & Sons.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

The tariffs under suspension in this proceeding make increases in rates on packing-house products and fresh meats from Mason City, Iowa, and Austin and South St. Paul, Minn., to points in Texas and Arkansas. Protests have been entered against the increases by packers located at Mason City and Austin. As these protestants ship principally packing-house products, including cured and salt meats, the rates on those commodities will be taken as representative. As illustrative of the situation, the present rate of 44½ cents from Mason City to Little Rock is to be increased to 50 cents, and the present rate of 69½ cents from Mason City, Austin, and South St. Paul to Fort Worth, Houston, and San Antonio (Texas common points) to 75 cents.

Respondents state that the increased rates are proposed in order to restore Mason City, Austin, and South St. Paul to the group in which they properly belong, which is the so-called Fox River group. These points were in that group prior to April, 1912, when, in response to the importunities of packers located at Mason City, that point was taken out of the group as to packing-house products, on which the differential to Texas and Arkansas is 15 cents over St. Louis, and was given a rate on packing-house products to Texas and Arkansas only 2½ cents higher than the rate from Marshalltown, Iowa, it having been represented to the carriers at the time that Mason City's principal competition was with Marshalltown. The

rate on packing-house products to Texas and Arkansas from Marshalltown is made by adding a differential of 7 cents, which is the differential applying from Chicago, to the rates from St. Louis and Kansas City, the principal gateways of Texas and Arkansas traffic. Following the withdrawal by the carriers of Mason City from the Fox River group, similar requests made by packers at Austin and South St. Paul resulted in the carriers also including those points on the new Mason City basis of $2\frac{1}{2}$ cents over Marshalltown or $9\frac{1}{2}$ cents over St. Louis. Defendants now claim to be apprehensive that by reason of their having withdrawn Mason City, Austin, and South St. Paul from the Fox River group, their entire group basis of rates is threatened because of the probability that other packing-house points will ask for similar action with respect to them.

The proposed rates will increase the differential over St. Louis from Mason City, Austin, and South St. Paul from $9\frac{1}{2}$ cents to 15 cents. The local rate from Mason City to St. Louis is 20 cents. The distance to St. Louis is 440 miles from Mason City and 593 miles from South St. Paul, the most southern and most northern points, respectively, in the Fox River group. Austin is situated in that group about midway of these points. The distance to St. Louis from Cedar Rapids is 320 miles, from Marshalltown 352 miles, from Waterloo 372 miles, and from Fort Dodge 429 miles. Fort Dodge, Waterloo, and Cedar Rapids all take the 7-cent differential over St. Louis which applies from Marshalltown.

Respondents assert that the protest against the proposed increase by the packers from Mason City is merely incidental to any group situation of rates, due to the fact that the line dividing groups must be drawn somewhere, and that in the present instance Fort Dodge and Waterloo profit by the circumstance of their situation near the northern edge of the 7-cent differential territory, while Mason City, in comparison, is not so favorably situated in its location near the southern edge of the Fox River territory.

We are of opinion that the proposed difference of 8 cents in rate between the points of origin herein involved and Marshalltown, Waterloo, and other points in Iowa is, considering the relative locations and distances with respect to St. Louis and Kansas City, the basing points for rates on this traffic, too great. It is, therefore, our conclusion, and we find, that respondents have not justified the increased rates under suspension, and we shall require them to maintain their existing rates as maxima for the statutory period.

Our findings and order herein are applicable to fresh meats as well as to packing-house products.

No. 6089.

WHEELER LUMBER BRIDGE & SUPPLY COMPANY ET AL.

v.

ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY
ET AL.

Submitted February 12, 1914. Decided May 5, 1914.

Complaint is made of the failure of defendants to grade a differential of 5 cents per 100 pounds over the rate to the Missouri River on shipments of fir lumber and fir-forest products from Pacific coast points to destinations in Iowa. Following decision of the Commission in *Betcher Lumber Co. v. C. M. & St. P. Ry. Co.*, 26 I. C. C., 335, complaint dismissed.

J. H. Henderson for complainants and intervener.

Dwight N. Lewis for complainants.

E. A. Springer for Nebraska Bridge & Supply Company.

Charles Donnelly for Northern Pacific Railway Company and Great Northern Railway Company.

F. P. Eyman, C. C. Wright, and A. F. Cleveland for Chicago & North Western Railway Company.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

F. S. Hollands for Chicago Great Western Railroad Company.

M. A. Patterson for Chicago, Rock Island & Pacific Railway Company.

REPORT OF THE COMMISSION.

MEYER, *Commissioner*:

The complaint in this case resulted from the failure of the defendants to grade a differential of 5 cents per 100 pounds over the rate to the Missouri River on shipments of fir lumber and fir-forest products from Pacific coast points to destinations in Iowa. Reparation on past shipments is asked.

Prior to November 1, 1907, the rate on these commodities from Pacific Coast points to St. Paul was 40 cents per 100 pounds. On that date the carriers increased the rate to 50 cents per 100 pounds. The propriety of this increase was under review in *Oregon & Washington Lumber Manufacturers' Asso. v. U. P. R. R. Co.*, 14 I. C. C., 1, wherein we said, at page 19:

The rates from said points of origin to points east of the line above mentioned, [Pembina-Port Arthur Line] excluding all points that now take the same rates as any of the points located on said line between and including Sioux City, Iowa, and

Kansas City, Mo., which were in effect on October 31, 1907, might reasonably be somewhat increased. Such increase should not, however, in any case exceed the rates in effect immediately prior to November 1, 1907, by more than 5 cents per 100 pounds, under the present minimum weight regulations and must be in conformity with the differentials prescribed by the Commission in case No. 1348.

As a result of this decision the carriers published a rate of 45 cents per 100 pounds to St. Paul. The rate from St. Paul to Chicago was 10 cents per 100 pounds, which applied as a maximum at intermediate points. This intermediate application had the effect of blanketing practically the entire state of Iowa with a rate of 55 cents per 100 pounds.

In the meantime the rate to Omaha was 50 cents per 100 pounds, while the rate to the Mississippi River was 55 cents per 100 pounds. In *Oregon & Washington Lumber Manufacturers' Asso. v. U. P. R. R. Co., supra*, the Commission also said, at page 19:

The rates to points in Minnesota east of the line mentioned should be graded up from that line so as to reach the maximum increase at Minneapolis, St. Paul, Minnesota Transfer, and Duluth. The rates from the Missouri River crossings should be graded up and the maximum increase of 5 cents be reached at the Mississippi River.

It is the failure of the carriers to follow the holding of the Commission in this regard that originated this complaint.

The testimony of the complainants and interveners consists chiefly of statements to the effect that the rates at present in effect to stations in Iowa are unreasonable. Des Moines is cited as a typical point to which the rate should not exceed 52½ cents per 100 pounds. A map was introduced which divides the state of Iowa into rate groups grading from 50 cents up, each group taking a one-half cent differential over the preceding one. It was urged that the natural route of movement of lumber into Iowa was through Omaha and not through Minnesota Transfer, and that the carriers, by continuing to bring lumber into Iowa through Minnesota Transfer and charging a rate of 55 cents therefor, were depriving that state of the advantages of its most natural route for this traffic. A large portion of the lumber traffic involved herein originates at stations on the lines of carriers whose eastern termini are the twin cities, namely, the Northern Pacific Railway and the Great Northern Railway Company. The right of a carrier to retain for itself the long haul on traffic which it originates is well established.

In *Pacific Coast Lumber Manufacturers' Asso. v. N. P. Ry. Co.*, 16 I. C. C., 465, complaint was made against the carriers in that proceeding for their failure to grade up the differential of 5 cents per 100 pounds between the Missouri and Mississippi rivers. In our decision we said, at page 467:

Complaint is also made in case No. 1329 that in applying the increase of 5 cents per 100 pounds authorized by the Commission to points east of a certain line defined

by the Commission, the carriers did not act upon the suggestion contained in the report of the Commission that the increase should be graded up between the Missouri and the Mississippi rivers or between the Minnesota-Dakota state line and St. Paul. That requirement, however, was not contained in the Commission's orders, and while it would seem that in some instances the suggestion might reasonably have been given more weight and effect, it is apparent that it could not be literally complied with without serious interference with the long-established relationships in rates as between competing points of production, competing carriers, and competing markets in the territory of distribution and consumption.

From the evidence submitted it would appear that the following portions of the Commission's decision in *Betcher Lumber Co. v. C., M. & St. P. Ry. Co.*, 26 I. C. C., 335, 336, apply with equal force to the present case:

The producing territory in Oregon and Washington may be said to be divided into two districts, one north of Portland, the other south thereof. From both of these districts a blanket rate of 55 cents is applicable to a territory east of the Missouri River which, roughly stated, is bounded on the south by a line from Kansas City to St. Louis, Mo.; thence on the east to Chicago and along the west shore of Lake Michigan to Menominee, Mich., on the north by an irregular line projected west from Menominee, through Merrell, Salem, and Prairie du Chien, Wis., and Le Roy, Minn., to the Pembina-Port Arthur line; thence on the west by a line to Kansas City. This rate applies from north Pacific coast points via Minnesota Transfer and from south Pacific coast points via Council Bluffs. * * *

It appears that the 55-cent rate to Chicago, made by the Omaha lines, is the result of the competition through St. Paul. It is conceded by defendants that the blanket principle of rate making is properly applied to lumber, and the testimony of record does not show that the rate as applied to the blanket heretofore described is unreasonable.

It follows that the complaint must be dismissed, and it will be so ordered.

30 I. C. C.

**INVESTIGATION AND SUSPENSION DOCKET No. 336.
PEANUT RATES TO OKLAHOMA CITY, OKLA.**

Submitted April 16, 1914. Decided May 5, 1914.

Proposed increased rate on peanuts in carloads from points on respondents' lines in southeastern Louisiana to Oklahoma City, Okla., not justified and ordered to be canceled.

F. A. Leland and *J. D. Watson* for Southwestern Tariff Committee lines.

F. H. Wood for Southern Pacific lines and Galveston, Harrisburg & San Antonio Railway Company.

R. D. Williams for Missouri, Kansas & Texas Railway Company; Missouri, Kansas & Texas Railway Company of Texas; and Texas & Pacific Railway Company.

T. J. Norton and *A. A. Hurd* for Atchison, Topeka & Santa Fe Railway Company and Gulf, Colorado & Santa Fe Railway Company.

H. C. Conley for St. Louis & San Francisco Railroad Company and receivers.

W. F. Dickinson and *J. E. Johanson* for Chicago, Rock Island & Pacific Railway Company and Chicago, Rock Island & Gulf Railway Company.

George A. Henshaw and *L. Bennett* for Corporation Commission of Oklahoma.

W. V. Hardie for Oklahoma Traffic Association.

REPORT OF THE COMMISSION.

CLARK, Commissioner:

By the schedules under suspension respondents proposed to cancel the commodity rate of 56 cents per 100 pounds applying on peanuts in carloads from New Orleans and other points in Louisiana to Oklahoma City, Okla., leaving in effect the fourth-class rate of 90 cents. Prior to November 1, 1913, the western classification, which governs the class rates, provided a rating of third class.

The points of origin lie in the southeastern part of Louisiana on the lines of the Louisiana Railroad & Navigation Company, Texas & Pacific Railway, New Orleans, Texas & Mexico Railroad, Morgan's Louisiana & Texas Railroad & Steamship Company, Yazoo & Mississippi Valley Railroad, and Illinois Central Railroad, and are distant from New Orleans not in excess of 128 miles.

Respondents submit in justification of the proposed action that it was never intended to make the commodity rate applicable from non-producing points, the instructions issued by the initial carriers having been for the publication from producing points only; that there are no peanuts raised at or in the vicinity of the stations affected by the cancellation and no jobbing or other houses at such points handling peanuts in carloads; and that the continuance of the 56-cent rate from New Orleans will make the through rate via that gateway from Virginia shipping points to Oklahoma City 10 cents less than the prevailing combination via Memphis and St. Louis, the natural and proper gateways for that traffic.

The rate from Virginia shipping points to New Orleans is 45 cents and to Memphis and St. Louis it is 39 cents. From New Orleans to Oklahoma City the present rate, as we have seen, is 56 cents, while from Memphis and St. Louis the rate is 72 cents.

It is to be noted that respondents were not content with an effort to remove the advantage of 10 cents per 100 pounds which the present rates give to the New Orleans gateway. They propose to raise the rate from New Orleans to Oklahoma City so that the combination on New Orleans will exceed that on Memphis or St. Louis by 24 cents.

Within the recent past a peanut huller has been established at Oklahoma City, and in conjunction therewith a plant for the manufacture of peanut butter, peanut oil, and salted peanuts. This industry draws peanuts from Virginia and Carolina points, points in the southeastern states, and in Oklahoma, Arkansas, and Texas, and is interested in extending its sources of supply. It has recently received two cars of peanuts from New Orleans, otherwise none have been received from the points of origin under discussion, and it is not contended that there ever has been any other movement from such points. Nevertheless peanuts are produced in others of the southeastern states, the natural route for which to Oklahoma City is via New Orleans, and if shippers desire to further avail of the New Orleans route, or if there should be occasion for shipments from any of the other points, reasonable rates must be afforded.

The present rate of 56 cents is blanketed over practically the entire state of Louisiana. Peanuts are produced in, and there is a movement from, the western part of the state in the vicinity of Shreveport and Alexandria.

While recognizing the desirability from the carriers' standpoint of preserving the integrity of through rates we must also look to the means employed for this purpose and rates to or from gateways used as factors in constructing through rates must be no more than reasonable. It may be that the rates from Virginia points to St. Louis, Memphis, and New Orleans and those from St. Louis and Memphis

to Oklahoma City to which we have previously referred will respond to the usual tests of reasonableness, but if so, that fact is not established of record. As a matter of fact respondents have submitted no figures to indicate what measure of profit or compensation these rates afford. On the other hand, protestants show that the distance from New Orleans to Oklahoma City is 689 miles, the present rate of 56 cents yielding for this distance per-ton-mile revenue of 1.62 cents; that the average distance from the other Louisiana points of origin involved approximates 650 miles, for which distance the 56-cent rate yields per-ton-mile earnings of 1.75 cents; and that the rates from the same territory of origin, including New Orleans to St. Louis and Chicago, with which points Oklahoma City comes in competition, are class rates of 35 and 41 cents, respectively, which, based upon average distances of 684 and 910 miles, yield per-ton-mile earnings of 1.02 cents and 0.9 cent, respectively. Further, that from Texas common points rates are in effect to St. Louis and Chicago of 56 and 63 cents, respectively, the average hauls being 800 miles and 1,150 miles.

Under these conditions the proposed rate of 90 cents is obviously too high. We do not suggest that commodity rates should ordinarily be provided where there is little probability of a movement of traffic thereunder, but the rate here discussed has been in effect over a year and, so far as the record discloses, without serious detriment to the carriers' interests. Recently some movement from or through New Orleans has resulted, and something more than has here been presented is required in justification of so great an increase as that proposed.

Our conclusion is that respondents have not sustained the burden cast upon them by law, and an order will be entered requiring the maintenance of the present rate as a maximum for the future.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 347.
MINIMUM WEIGHT ON FRESH MEATS AND OTHER
COMMODITIES.

Submitted April 10, 1914. Decided May 4, 1914.

Increase from 10,000 to 15,000 pounds in minimum weight of special refrigerator cars in shipments from Chicago held to be reasonable, provided respondents eliminate element of discrimination by providing similar minimum weight from St. Louis.

E. W. Skipworth for Sulzberger & Sons Company.

C. B. Heinemann for Morris & Company.

A. P. Humburg for Illinois Central Railroad Company.

H. W. Swanson for Fox River Butter Company.

REPORT OF THE COMMISSION.

DANIELS, Commissioner:

The tariff under suspension in this proceeding is that of the Illinois Central Railroad Company increasing the minimum weight at which a special refrigerated car will be furnished for the movement of butter, eggs, dressed poultry, fresh fish, and fresh meat from 10,000 to 15,000 pounds, from Chicago to southern territory, while leaving in effect from St. Louis to that same territory a minimum of 10,000 pounds.

The protestants at whose instance the tariff was suspended are shippers of these articles from Chicago. Both the carrier and the protestants appeared upon the hearing. The respondent carrier introduced testimony tending to justify the increase. The protestants gave no evidence, but asked leave to file a brief, which has been done.

Two questions are presented:

First. Is the increased minimum reasonable?

Second. Is there a discrimination against Chicago in favor of St. Louis?

Rates upon dairy products, dressed poultry, fresh fish, and sometimes fresh meat, are usually based on any-quantity rates—that is, there is no carload rate, the charge for transportation being the same
shipment in large or small quan-
must be moved in refrigerator
from Chicago to most of the
t is known as a regular refriger-
are delivered to the Illinois
be transported under refriger-

ation to destination at the regular rate. If so handled, they are placed in a refrigerator car along with other commodities belonging to other shippers.

In addition to this regular refrigerator service the Illinois Central offers a special refrigerator service. It sets apart a special car for the use of a single shipper and refrigerates this car upon condition that the amount shipped in the car shall equal a certain number of pounds. The minimum formerly in effect was 10,000 pounds; the increased minimum is 15,000 pounds.

The evidence shows that in official classification territory the minimum in effect at the time of the hearing was usually 15,000 pounds; but it also appears that in a portion, at least, of this territory that minimum had formerly been 10,000 pounds, the increase having been made less than one year before the hearing. In western trunk line territory this minimum is 15,000 pounds, while in the south it runs from 5,000 to 10,000 pounds; in the southwest and the far west the minimum is usually 10,000 pounds.

It is difficult to see how a carrier can justify the giving of this special service to a single shipper, unless it be upon the ground that the cost of the service to the carrier is thereby to such an extent reduced that it can properly, in the protection of its own just interest, tender the tariff. Certainly a carrier should not be required to furnish a special service of this kind unless the carrier be allowed as an incident to protect its revenues by requiring a substantial loading sufficient adequately to utilize its equipment.

As already noted, no carload rate as such applies to these commodities, but this special carload arrangement has many of the characteristics of the carload rating. The car is put at the exclusive disposal of the shipper. It is placed for loading where he directs and is loaded by him. Having been loaded, the car is sealed up, taken to destination, and there delivered, and unloaded at the convenience of the shipper. The giving of this special service is tantamount, by reason of the special convenience it affords, to a reduction in the rate; and while the Commission has frequently held that carload rates should be lower than less than carload, it has also held that in the establishing of a carload minimum the carrier may secure the economical use of its equipment.

All these commodities readily load to 15,000 pounds and often much in excess thereof. In the absence of countervailing considerations, it is a wasteful transaction to handle 10,000 pounds of merchandise in a car when 15,000 can be carried with equal facility. The mounting cost of operation in these days should be avoided in every proper manner. There is no testimony in this case to show that the protestants can not readily avail themselves of the 15,000-pound minimum,

although, of course, they prefer the greater latitude afforded by the smaller minimum.

The second claim of the protestants is that the making of this increase from Chicago, without a corresponding increase from St. Louis, is a discrimination against Chicago.

Upon the hearing the respondent stated that the rate was not increased from St. Louis because several of the competitors of the respondent were unwilling to quote a minimum in excess of 10,000 pounds. It further stated, however, that very little traffic, if any, moved under this provision from St. Louis, and that, therefore, it was immaterial to it, as a practical matter, whether the minimum from St. Louis were 10,000 or 15,000 pounds. It was stated upon the hearing, and is repeated in the brief of the respondent, that the minimum from St. Louis would be increased to 15,000 pounds, thereby eliminating the discrimination.

There is nothing in this record which fairly shows that competitive conditions at St. Louis justify the respondent in maintaining a lower minimum from that locality than from Chicago, although some justification therefor was suggested upon the hearing. It must therefore be found upon the record that the increase from Chicago, without a corresponding increase from St. Louis, creates an undue discrimination against Chicago.

Our finding is that the increase from 10,000 to 15,000 pounds in the minimum weight at which special refrigerated cars will be furnished for this service is reasonable, provided the respondent eliminate the element of discrimination by a similar increase in the minimum weight for the same service from St. Louis. The order of suspension will be vacated upon the filing of a tariff in accordance with this finding. If such tariff is not filed by July 1, 1914, an appropriate order will be entered.

No. 6268.
HANS TRIER
v.
CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY
COMPANY ET AL.

Submitted February 16, 1914. Decided May 4, 1914.

1. The nonconfiscatory character of scales of fare established by a state for intrastate passenger journeys, where such rate scales have not been acquiesced in by the carriers, is not sufficient *per se* to warrant this Commission's setting aside as unjust and unreasonable fares at a different level for interstate journeys, even where one stretch of the interstate journey is within the state establishing such scales of fare.
2. Fares between points named in the report found to have been unlawful in November, 1912, in and to the extent that they exceeded the aggregate of the intermediate fares subject to the provisions of this act.

Hans Trier for complainant in person.

Charles C. Walton for Chicago, St. Paul, Minneapolis & Omaha Railway Company.

REPORT OF THE COMMISSION.

DANIELS, *Commissioner*:

This is a passenger fare case. It involves the question: To what extent state-established rate scales not acquiesced in by the carriers are *per se* controlling as gauging the reasonableness and justice of fares for an interstate journey where one stretch of such journey lies wholly within the state that has prescribed said rate scales. The complaint arises from the conditions which existed in the state of Minnesota from May 1, 1907, until November 1, 1913. The parties agree upon the facts and submit for our determination the questions of law.

By law in Minnesota the maximum fare for the transportation of adult passengers over the lines of the Northern Pacific Railway between points wholly within that state has been 2 cents per mile since May 1, 1907. The Supreme Court, in its decision of the *Minnesota Rate cases*, 230 U. S., 352, June 9, 1913, held that the Northern Pacific Railway Company had not shown that this rate scale was confiscatory so far as the company was concerned. Prior to that decision the carrier named did not conform its passenger fares to the scale required by the state statute either for local or for inter-

state transportation. Effective November 1, 1913, by tariffs duly filed with this Commission, fares between points on the Northern Pacific Railway in Minnesota which conform to the state statute were made applicable to such portions of the route of interstate transportation as lie wholly within Minnesota. These fares are now in effect. It appears, also, that on account of fares charged by it for Minnesota intrastate journeys since May 1, 1907, so far as such fares were higher than were authorized by state statute, the Northern Pacific Railway Company owes, or has paid, reparation in the exact amount of the difference between the two scales.

November 15, 1912, complainant bought a through ticket from Clinton, Iowa, to Henning, Minn., for which he paid the regularly published joint fare of the carriers interested, \$11.50. This ticket entitled him to transportation, which he received, over the line of the Chicago, Burlington & Quincy Railroad from Clinton, Iowa, to St. Paul, Minn., and thence over the line of the Northern Pacific Railway to destination in Minnesota. At that time, by tariff duly filed with this Commission, the fare of the Burlington road from Clinton to St. Paul was \$6.28, and the fare of the Northern Pacific Railway from St. Paul to Henning, duly filed with this Commission as applicable to interstate transportation, was \$5.19. The joint fare charged by the Burlington and Northern Pacific Companies, therefore, exceeded by 3 cents the sum of the intermediate fares separately established by them as applicable to through transportation.

November 17, 1912, complainant traveled from Wadena, Minn., to Hudson, Wis., and paid the regularly published and filed joint fare, \$5.64, for the through transportation. The route of travel was over the line of the Northern Pacific Railway from Wadena, Minn., to St. Paul, and thence over the line of the Chicago, St. Paul, Minneapolis & Omaha Railway to Hudson. At that time the fare of the Northern Pacific Railway from Wadena to St. Paul, duly filed with this Commission and applicable to interstate transportation, was \$4.74, and the fare of the Omaha Railway from St. Paul to Hudson was 60 cents. The charge for this latter through transportation, therefore, was 30 cents in excess of the intermediate fares subject to the provisions of the act to regulate commerce.

The slight differences pointed out above between the aggregates of the intermediate fares and the through fares are not, however, the particular matters of which complaint is made. It is averred that the legal passenger fare of the Northern Pacific Railway from St. Paul to Henning was in November, 1912, and still is, \$3.56; and that the legal passenger fare via the same carrier from Wadena to St. Paul was at that time, and still is, \$3.18. It is alleged that the charges made by the defendants for through transportation were un-

reasonable and unjust in and to the extent that they exceeded the aggregates of these passenger fares established by law within the state of Minnesota, between St. Paul and Henning and between Wadena and St. Paul, and the interstate charges between Clinton and St. Paul and between St. Paul and Hudson. Upon these allegations complainant demands reparation in the sum of \$3.52, \$1.66 of which is attributable to excess in fare to Henning and \$1.86 to excess in fare to Hudson. It is to be noted that these averments are not allegations of fact, but are conclusions of law made by the complainant; they are not citations of regularly published tariff rates subject to the provisions of the act to regulate commerce; and it is upon these conclusions alone that the complaint rests. From the record, we are required to gauge the reasonableness and justice of the joint interstate rates for the through transportation here in issue solely from the facts above recited.

Without attempting to analyze the decision of the Supreme Court cited above, it is sufficient to say that it does not specifically find that the maximum passenger fare of 2 cents per mile is reasonable or unreasonable between points in Minnesota on the Northern Pacific Railway. That decision held, in the cases of the Northern Pacific and Great Northern companies, "that the proof is insufficient to justify the finding that the rates were confiscatory * * *." For this reason the court dismissed the bill of the Northern Pacific Railway Company without prejudice. Neither that decision nor the statute of Minnesota established any fare for interstate transportation; nor was the necessary effect of that decision or of the state statute to establish any division, portion, or basing fare applicable to interstate transportation between points beyond the state of Minnesota and points within that state. Neither the Minnesota statute nor the decision of the Supreme Court established in accordance with the terms of section 6 of the act to regulate commerce the fare of 2 cents per mile as the maximum lawful fare for travel in an interstate journey on the stretch thereof which lay within Minnesota; and, therefore, that 2-cent-per-mile fare is not involved under section 4 of the act. That section has these specific terms:

That it shall be unlawful for any common carrier, subject to the provisions of this act * * * to charge any greater compensation as a through rate than the aggregate of the intermediate rates *subject to the provisions of this act.*

Fares established by the law of a state do not become subject to the provisions of the act to regulate commerce until they have been adopted as their own and as applicable to interstate transportation by the carriers, and until said fares have been filed with this Commission, as applicable to interstate transportation, in accordance with the requirements of section 6 of the act; or until such

fares have been lawfully imposed upon the carrier as applicable to interstate transportation and duly filed with this Commission. This must be so, as otherwise each state could by its local legislative enactment at once vary the charges applicable to interstate transportation without notice to this Commission and thus practically nullify section 6 of the act. The Commission, while it should give due and proper weight to the determinations of state legislatures and commissions, can not be controlled in its judgment upon the reasonableness of interstate rates and fares by the independent action of a state legislature or a tribunal not federal. Otherwise it would seem necessarily to follow that in case a state legislature should establish a minimum fare per mile for intrastate passenger journeys at a rate in excess of the previous average rate per mile for interstate journeys, a higher aggregate charge for said interstate journeys would immediately become operative. In this fashion any substantial control over interstate passenger rates would practically be withdrawn from this Commission. Cf. *Savannah Bureau of Freight & Transportation v. C. & S. Ry. Co.*, 7 I. C. C., 601, 611. Moreover, it would also seem to follow that if for a time the enforcement of such higher fares per mile were held in abeyance by judicial proceedings and the legality of such higher minimum rates were eventually established, the carriers would equitably be entitled to reparation from the thousands of passengers who in the interim had paid a lower rate per mile.

The Commission has held in 23 I. C. C., 31, 39, *Railroad Commission of Louisiana v. St. L. S. W. Ry. Co.*, that it—

may not say that because a carrier has in effect state-made rates upon state traffic such rates shall be established by it upon interstate business, for, to put the matter bluntly, the rates fixed by a state commission are not prescribed as a standard by the act of Congress governing interstate rates of transportation.

In the instant case the Commission is asked to accept as a sufficient determinant of the injustice and unreasonableness of an interstate fare the single fact that a lower rate per mile as applicable to the traffic wholly within one state partly traversed in making said journey has been judicially upheld by the Supreme Court. The finding of that body was merely that the 2-cent fare per mile for intrastate Minnesota transportation had not been proved confiscatory and therefore was not unconstitutional. A rate or fare that is merely nonconfiscatory may fall short of one which is entirely just and reasonable. Complainant rests his whole charge that the interstate fares collected are unjust and unreasonable on the ground that 2-cent per mile rate-scale in one of the states traversed had not been shown, as far as intrastate business is concerned, to have been confiscatory. This is one fact, but only one fact, bearing upon the

matter of justice and reasonableness. It has been held in 14 I. C. C., 210, *Marshall Oil Company v. C. & N. W. Ry. Co.*, that—

This Commission is authorized under the law to condemn an existing rate and prescribe a reasonable maximum rate to be charged in the future only when, upon consideration of all the facts, circumstances, and conditions appearing, it is of the opinion that the rate complained of is unreasonable or unjust.

In this case not all of the facts, circumstances, and conditions which are required to determine the reasonableness and justice of an interstate rate are before us. As above recited, only one large consideration is adduced of record, and as to this the Commission, in the case last cited, has held, at page 213, that—

* * * The decisions of the several state railroad commissions are worthy of consideration, but this Commission is not justified under the law in accepting a comparison of lower intrastate rates prescribed by the state authorities with those applying on interstate traffic as conclusive of the unreasonableness of the interstate rates.

For the reasons stated above the complainant is not entitled to reparation on the grounds upon which his complaint is brought. It appears, however, as pointed out above, that these through fares were unlawful under section 4 of the act in and to the extent that they exceeded the aggregates of the intermediate fares at that time in effect and applicable to interstate transportation. To this extent we think the complainant is entitled to reparation.

Upon the facts shown, we find that the complainant in November, 1912, traveled in interstate commerce from Clinton, Iowa, to Henning, Minn., and from Wadena, Minn., to Hudson, Wis.; that he paid the fares herein found to have been unreasonable in and to the extent that they exceeded the aggregates of the intermediate fares applicable to through interstate transportation in effect at the times of travel; and that he was damaged thereby in the sum of 3 cents by reason of the excessive fare paid for the journey from Clinton, Iowa, to Henning, Minn., and 30 cents by reason of the excessive fare paid for the journey from Wadena, Minn., to Hudson, Wis., for which amounts he is entitled to an award of reparation against the defendants, with interest from November 17, 1912. In view of the fact that the through rates between the points named have now been conformed to those sought to be established by the complainant, and lower than the intermediate rates subject to the jurisdiction of this Commission upon the aggregates of which reparation has been granted herein, no order in that respect is necessary, but an order for reparation will be issued.

INVESTIGATION & SUSPENSION DOCKET No. 174.

BREAK-BULK RATES ON GRAIN.

IN THE MATTER OF THE INVESTIGATION AND SUSPENSION OF ADVANCES IN BREAK-BULK RATES BY CARRIERS FOR THE TRANSPORTATION OF GRAIN AND GRAIN PRODUCTS FROM MILWAUKEE, MANITOWOC, AND KEWAUNEE, WIS., TO BOSTON, MASS., NEW YORK, N. Y., PHILADELPHIA, PA., BALTIMORE, MD., AND OTHER POINTS.

Submitted December 22, 1913. Decided May 5, 1914.

On the record as presented at the rehearing, proposed increased break-bulk rates, domestic and export, on grain and grain products from Milwaukee, Manitowoc, and Kewaunee, Wis., to points in trunk line territory east of Niagara frontier, found to have been justified. The order of the Commission in the original case is vacated.

Bills, Parker, Shields & Brown for Pere Marquette Railroad Company and its receivers.

Miller, Mack & Fairchild and *George A. Schroeder* for Milwaukee Chamber of Commerce.

REPORT OF THE COMMISSION UPON REHEARING.

MEYER, *Commissioner*:

Upon petition of the Pere Marquette Railroad Company and its receivers a rehearing was granted in the above-entitled case. This case involves the reasonableness of increases which were proposed in local joint and proportional break-bulk rates, domestic and export, on grain and grain products from Milwaukee, Manitowoc, and Kewaunee, Wis., to points in trunk line territory east of Niagara frontier. Our original decision in this proceeding, 27 I. C. C., 78, based upon the evidence produced at the first hearing, was promulgated May 12, 1913. In view of the incompleteness of the testimony presented at the first hearing and the consequent inadequacy of the information bearing on the case we found that respondents had failed to meet the burden of the proof as to the reasonableness of the proposed increases which the statute places upon them and they were required to cancel the tariffs under suspension and maintain the rates at present in effect.

One of the questions with regard to which the testimony presented at the original hearing was inadequate was whether the division of

the rate received by the break-bulk boats for transporting grain and grain products from Milwaukee to Ludington is greater or less than the cost of transporting the same by car ferry. From the testimony introduced at the rehearing it appears that the Pere Marquette Railroad allows the car ferries as their share of the revenue \$7.50 for each loaded car carried across the lake, irrespective of its contents. For transporting oats from Milwaukee to Ludington the break-bulk boats receive 2 cents per 100 pounds and for corn and wheat 2½ cents as their division of the rate. On a basis of 48,000 pounds of oats and 60,000 pounds of wheat or corn to the carload, this would amount in each instance to \$12 per car. It was testified that in 1907 when the car ferries were first put into operation the same allowance was made to them as to the break-bulk boats, and that the allowance of \$7.50 was arrived at after a number of years' experience in operating the ferries. On behalf of the Pere Marquette a statement was introduced in evidence giving the earnings per car per car-mile and per ton per mile for the several carriers that form the through route from Milwaukee to the east. We give below in part what was contained therein:

Earnings in mills per ton-mile of rail carriers on grain shipped from Milwaukee to the east via Pere Marquette car ferry and railroad and eastern connections as compared with earnings via break-bulk steamers, Pere Marquette Railroad and eastern connections.

From Milwaukee to—	Commodity.	Pere Marquette Railroad.			Lines east of Niagara frontier.		
		Distance.	Car-ferry grain.	Break-bulk grain.	Distance.	Car-ferry grain.	Break-bulk grain.
New York.....	Oats.....	465	2.35	2.11	446	2.68	2.06
Do.....	Corn and wheat.....	.....	2.49	2.34	.....	2.67	2.06
Taunton, Mass.....	Oats.....	465	2.43	2.16	674	3.20	2.81
Do.....	Corn and wheat.....	.....	2.58	2.23	.....	3.20	2.91
Franklin, N. H.....	Oats.....	465	2.84	2.27	¹ 286	¹ 2.28	¹ 1.88
Do.....	Corn and wheat.....	.....	2.48	2.48	.....	¹ 2.28	¹ 1.88
Lansdale, Pa.....	Oats.....	465	1.78	1.48	² 375	² 2.15	² 1.65
Do.....	Corn and wheat.....	.....	2.05	1.67	.....	² 2.26	² 1.90
Elmira, N. Y.....	Oats.....	465	3.13	2.71	178	4.67	3.60
Do.....	Corn and wheat.....	.....	3.26	2.92	.....	4.67	3.60
Utica, N. Y.....	Oats.....	465	3.05	2.74	303	3.81	3.02
Do.....	Corn and wheat.....	.....	3.15	2.95	.....	3.81	3.02

¹ New York Central Railroad's part of the haul beyond Niagara frontier. Figures not given for the other eastern carriers.

² Lehigh Valley's part of haul east of Niagara frontier.

It will be observed that the earnings of the rail carriers are in each instance less on the break-bulk grain than upon grain carried across the lake by the car ferries. For example, on a shipment of corn from Milwaukee to New York via Pere Marquette car ferry and railroad and New York Central lines, the Pere Marquette receives for its share of the rail haul 2.49 mills and the New York Central 2.67 mills per ton-mile, and on a car of oats via the same route the Pere Marquette receives 2.35 mills and the New York Central 2.26

mills per ton-mile. On corn and oats moving break-bulk the Pere Marquette receives, respectively, 2.34 and 2.11 mills per ton-mile and the New York Central 2.06 and 2.16 mills. The earnings of the Pere Marquette Railroad on the movement to New York via the break-bulk route are \$2.69 less per car of oats and \$2.24 less per car of corn or wheat than via the car-ferry route. Upon the movement to some eastern points this difference is less and to others it is greater, but it seems that in all cases the break-bulk grain yields less revenue to the rail carriers than that which comes by car ferry. It is stated on behalf of the Pere Marquette Railroad that at Milwaukee it is forced by conditions beyond its control to meet the highly competitive Chicago rates to the east, and that consequently even the rates via car ferry produce extremely low revenue, especially when the operating and traffic conditions of the Pere Marquette lines are taken into consideration. It is argued that the Pere Marquette should not be forced to maintain lower rates via the break-bulk route than via the car-ferry or the all-rail route.

The above statement of earnings of the rail carriers makes no allowance for the cost of elevating the grain at Ludington. This, it is alleged, is an expenditure which further diminishes the earnings of the Pere Marquette Railroad on break-bulk grain. In our former opinion the tonnage rate charged the steamship company by the Pere Marquette Railroad for handling freight at Ludington was given as 18½ cents per ton on through freight and 37½ cents per ton on local freight of the steamship line. This was based upon the statement of the general manager of the Pere Marquette Line Steamers. From the testimony given at the rehearing, however, it appears that this is the charge made by the railroad company for handling miscellaneous freight from boat to dock at Ludington, and not for grain. The charge paid by the steamship company to the Pere Marquette Railroad for handling from the steamship hold to the elevator at Ludington is \$1.50 per 1,000 bushels. An exhibit introduced at the rehearing shows the net cost to the Pere Marquette Railroad of elevating the grain at Ludington, after allowing for the payments made to the railroad by the steamship company, to be \$2.41 per car.

It is further testified that the Pere Marquette Railroad has great difficulty in furnishing empty cars to handle the grain from the Ludington elevator and frequently has to haul empties from points on its line west of Saginaw and Grand Rapids, Mich. Testimony was introduced with respect to the operating difficulties and the unfavorable traffic conditions on the line of the Pere Marquette from Ludington to Niagara frontier. There was also received in evidence a statement compiled by the Milwaukee district inspector of the Joint Rate Inspection Bureau, showing approximately the amount of grain

which passed through Milwaukee and moved east via the break-bulk route and the territory of origin of that grain for the year ending August 15, 1912. This statement shows the total break-bulk shipments, in pounds, and the origin of the grain shipped break-bulk to have been as follows:

From—	Corn.	Oats.	Barley.
Minneapolis proper	110,330	158,360	4,066,029
Minnesota	4,380,100	16,300,921	776,221
Iowa	22,496,272	23,795,809	351,590
North Dakota and South Dakota	4,114,720	3,684,910	1,145,090
Wisconsin	890,800	7,600,450	4,335,290
Illinois	220,159	304,470	236,920
Total	32,212,372	51,844,920	10,911,140

This statement shows, it is alleged, that a great portion of the grain coming through Milwaukee for forwarding via the break-bulk route originates in territory in which Chicago competes with Milwaukee as the market. It is argued that the maintenance of rates via the break-bulk route which are lower than the all-rail rates from Milwaukee and Chicago constitutes an unjust discrimination against Chicago.

On protestants' behalf it is argued that allowances of \$7.50 and \$12 per car via car ferry and break-bulk boats, respectively, for the transportation of oats in carloads of 48,000 pounds and of corn and wheat in carloads of 60,000 pounds do not indicate the true difference in cost between the two services. No attempt was made by protestant at the rehearing to contradict the evidence of the respondents that \$7.50 per car for the movement via car ferry from Milwaukee to Ludington covers all the cost of the car ferry movement including terminal expenses at Milwaukee. In the protestant's brief a separate estimate is made of the cost of the car ferry movement. No testimony, however, was offered upon this point. Attention is first called to the contract between the Pere Marquette and the Chicago, Milwaukee & St. Paul with regard to switching to the car ferry at Milwaukee. This service is performed by the Chicago, Milwaukee & St. Paul, and it is alleged that, by the terms of the contract, the Pere Marquette pays for the switching of cars from a Milwaukee industry to the car ferry slip 60 per cent of the amount which the Chicago, Milwaukee & St. Paul would have received had it hauled the same carload to Chicago and there delivered it to its eastern connections. On the movement from Milwaukee to Taunton, Mass., which was given as an illustration, this would amount to \$4.61 on a car of oats and to \$5.76 on a car of wheat. Protestant adds \$1.05 per car to cover the cost of cooping cars at Milwaukee. For the cost of the marine haul of 97 miles by car ferry, Milwaukee to Ludington,

protestant arbitrarily assumes \$4 per car, taking this figure because it is the same as the cost of the switching service performed by the belt railway companies connecting the eastern and western carriers at Chicago. The sum of these alleged costs totals \$9.66 per car of oats and \$10.81 per car of corn or wheat. Protestant contends there should be added to this an additional amount for office and clerical expenses at Milwaukee and also an addition for the cost of furnishing empty cars for car-ferry shipments. The latter cost the Pere Marquette is at present escaping, since whatever cars are found available in the Chicago, Milwaukee & St. Paul Company's Milwaukee yard are taken for car-ferry loading. Nevertheless, protestant claims this is a legitimate item for consideration in a comparison of car-ferry and break-bulk service expense.

In the reply brief of the Pere Marquette Railroad Company attention is called to the fact that none of the estimates made by the protestant were based upon testimony presented at the rehearing and that the provision of the contract to which protestant referred, and upon which it based its estimate of the cost of switching to the car-ferry slip, covers only the handling of local business at Milwaukee. It is admitted that if a carload of grain were loaded at a Chicago, Milwaukee & St. Paul sidetrack for shipment to Taunton, Mass., via the Pere Marquette and car ferry, the Pere Marquette would pay to the Chicago, Milwaukee & St. Paul approximately the amount stated by protestant.

At the rehearing it was stated in behalf of the Pere Marquette Railroad that the amount paid to the Chicago, Milwaukee & St. Paul for switching to and from the car ferries at Milwaukee, use of the terminal, and every other item of terminal expense was, for the fiscal year of 1912, \$67,000 for approximately 27,000 carloads handled in and out of the Pere Marquette car ferries. This amounts to about \$2.50 per car, which the Pere Marquette included in its estimate of \$7.50 per car for the car-ferry movement.

With regard to the allowance of \$12 per car, based upon 48,000 pounds of oats and 60,000 pounds of corn or wheat to the carload, the protestant alleges that the elevation charge of \$2.25 per carload paid by the boat line to the Pere Marquette Railroad Company should be deducted, leaving a balance of \$9.75 to cover the cost to the rail carriers for the break-bulk carrier. Protestant argues further that this cost to the railroad is too high for the service performed by the break-bulk boats and that a lower division of the rate should be accorded them.

There is also contained in protestant's brief but not in its testimony a table of rates and divisions on break-bulk and car-ferry movement to a number of eastern points which it is claimed are more typical than those shown by the Pere Marquette in its exhibits and

which yield a slightly higher revenue per car and per ton per mile. To this it is replied that protestant's computations are not correct. No information is contained in protestant's brief as to where it obtained the figures upon which its computations are based. We find throughout the brief statements of alleged facts of which there is no proof and which are entirely outside the record. These can not be accepted as contradicting the testimony furnished by the railroad company at the hearing. They are not in the record and can not be considered. However, even if protestant's figures were correct, the highest division which it is alleged accrues to the Pere Marquette for its haul from Ludington to Niagara frontier yields 3.1 mills on corn or wheat shipped by car ferry and 2.7 mills per ton-mile on that shipped break bulk. This is low when compared with the yield of 3.5 mills per ton-mile for the haul from Chicago to New York over a line upon which the traffic is much denser and operating conditions are much more favorable. The unfavorable operating conditions of the Pere Marquette Railroad's lines and its light traffic are reflected in its comparatively low freight revenue per mile of railroad. The freight revenue per mile of railroad for the Pere Marquette is \$4,828; for the Erie Railroad, \$17,959; for the Lake Shore Railroad, \$19,726; and for the Pennsylvania Company, \$26,000.

In our original opinion, attention was called to the prosperous condition of the Pere Marquette Line Steamers since its organization as an independent carrier, and it was intimated that perhaps a readjustment of divisions was necessary rather than an increase in the break-bulk rates. It appears that during the period of ten years since its organization this company has paid cash dividends aggregating 113 per cent, making an average of 11.3 per cent per year, and has in addition declared a stock dividend of 50 per cent. Even though the testimony shows that the steamship company has not in the past accumulated a depreciation reserve, it is obvious that it has done a profitable business. However, the testimony produced at the rehearing shows that whatever readjustment may be made in divisions, if it be found proper to make a readjustment, should accrue to the rail carriers rather than be the basis for differential break-bulk rates lower than all-rail. A substantial reduction in the break-bulk divisions would no more than make up the difference which now exists between the earnings of the rail carriers on break-bulk and car-ferry grain. In this connection the comment may be added that the break-bulk route under certain circumstances may be of great value to the Pere Marquette Railroad in that the railroad is thereby enabled to forward grain which it could not otherwise handle. It would seem to the interest of the Pere Marquette Railroad to maintain this route, at

lower earnings if necessary, than via the all-rail or car-ferry routes. However, in view of the lower earnings by the break-bulk route, the carriers should, perhaps, not be required to maintain lower rates via this route than via the car-ferry or all-rail routes.

There remains to be considered protestant's allegation that the continuation of the differential on break-bulk shipments is a commercial necessity to the city of Milwaukee. It is stated that Minneapolis can ship oats and barley to the east on through rates which are 1 cent lower than the combination of all-rail rates on Milwaukee or Chicago, and that the lines east of Milwaukee and Chicago accept as their division 1 cent less than their all-rail rates from those points. Protestant insists that even though much of the grain which finds its way to Milwaukee comes from territory in which Minneapolis does not compete as a market, Minneapolis competition is nevertheless felt in fixing the selling price. It is our opinion, however, that if Milwaukee and Chicago are at an unjust disadvantage as compared with Minneapolis that is a matter which requires readjustment of the all-rail rates and is not a justification for the maintenance of a differential break-bulk lower than the all-rail rate.

Based on all these considerations we find that respondents have justified the increases proposed in the tariffs under suspension. We come to this conclusion upon the record as presented in this case at the rehearing. In testimony and argument, respondents have given assurance that the break-bulk route will be maintained at equal rates with the car-ferry and all-rail routes, and it is with this understanding that the increases are permitted.

An order will be entered vacating our former order in this case and permitting respondents to publish the same rates from Milwaukee, Manitowoc, and Kewaunee on grain and grain products via the break-bulk route as are contemporaneously maintained via the car-ferry or the all-rail route.

30 I. C. C.

No. 6204.

SEATTLE SHINGLE COMPANY ET AL.

v.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY
ET AL.

Submitted March 10, 1914. Decided May 5, 1914.

The failure of the defendants to apply coast or terminal rates to shipments of shingles originating at water-locked points on the Olympic peninsula while maintaining such rates from various points on the mainland north and south of their terminals held not to constitute unjust discrimination.

Grosscup & Lee for complainants.

Stephen V. Carey for Public Service Commission of Washington, intervener.

John F. Finerty, jr., for Great Northern Railway Company, Northern Pacific Railway Company, and Chicago, Milwaukee & St. Paul Railway Company.

F. D. Burroughs for Chicago, Milwaukee & St. Paul Railway Company.

G. N. Skinner for Puget Sound Naval Station Route.

REPORT OF THE COMMISSION.

MEYER, *Commissioner*:

The complainants in this case are manufacturers of shingles located at various water-locked points, such as Port Angeles, Fairmont, and Port Crescent, on the Olympic peninsula in the state of Washington. By water-locked points as used in this report are meant points not reached by the rails of any carrier and which depend on boat lines for transportation. To reach the lines of the rail carriers, the Great Northern, the Northern Pacific, and the Chicago, Milwaukee & St. Paul railways, the principal defendants, complainants must have their product transported by boat across Puget Sound to the defendants' terminals on the mainland.

Complainants are seeking the application of the "coast" or "terminal" rates to their shipments originating at the water-locked points and destined to Missouri River points and other eastern destinations. At present there are, with a few exceptions, no joint rates between the rail carriers and the boat lines which serve water-locked points, and complainants' petition, accordingly, is for the establish-

ing of through routes and joint rates. The carriers to apply the terminal rates desired would have to absorb the charges of the boat lines and grant them a division of the through rate now applying from the mainland terminals such as Seattle and Tacoma.

Although an allegation of unreasonableness is contained in their petition, complainants appear to rest their case in substance solely upon a charge of discrimination. It is conceded: First, that the terminal rates are reasonable. It is stated, moreover, that the carriers could not have been compelled in the first instance to have extended their terminal rates to the water-locked points and absorbed the charges of the boat lines. It is urged, however, that an order requiring them to do so now is proper because they have blanketed the entire state of Washington west of the Cascade Mountains and applied terminal rates to various points within a radius of 150 miles north and south of Seattle and Tacoma, and that to maintain rates to these points while denying them to the water-locked points in question, which in many instances are much nearer the terminals than the mainland points just described, constitutes unjust discrimination against the water-locked points. It is urged that the excess over the terminal rate paid by complainants' mills has seriously handicapped them in their competition with mills on the east side of Puget Sound and that this rate situation has retarded the development of the Olympic peninsula.

It should be noted at the outset that the terminal rates have been extended to water-locked points only in these instances: To Port Blakeley and Eagle Harbor by the Chicago, Milwaukee & St. Paul Railway—which hereafter will be referred to as the Milwaukee—in connection with its subsidiary company, the Milwaukee Terminal Company; and to Columbia River points, such as Allenville, by the Great Northern and the Northern Pacific, as well as the Milwaukee.

The rates other than the ones just mentioned on which the complainants' charge of discrimination is predicated are of three kinds: First, rates in which the carriers have extended the terminal basis to points on their own rails north and south of the terminals both on the coast and in the interior; second, rates where in some instances the terminal basis has been extended by the carrier to a point off its own rails on the rails of another connecting carrier; and, third, certain rates formerly in effect between the rail carriers and the boat lines operating on Puget Sound.

The blanketing of the territory on the mainland described above—that is, the extension by the carriers of the terminal rates to points on their own lines north and south of the terminals on the coast and the interior—is described and defended by the carriers as follows:

The blanketing by each road of all points on its line west of the Cascades between Portland on the south and the international boundary on the north was
80 I. C. C.

forced by geographical and competitive conditions. The Northern Pacific by establishing the coast basis of rates at Portland necessarily established it as the maximum at Tacoma, since, in serving Portland, that road hauled through Tacoma. This, of course, would necessitate the maintenance by the Great Northern of the coast basis between Portland and Tacoma, and incidentally at Seattle, as the Northern Pacific, eastbound, hauls south from Seattle through Auburn, a junction near Tacoma. The Great Northern, by making the coast basis at Seattle, necessarily fixed that basis for Everett, as it hauls from Seattle eastbound through Everett. The Canadian Pacific, to compete with the Great Northern for any traffic at Seattle, had to carry the coast basis from that point, and, as the Canadian Pacific eastbound from Seattle hauls over the Northern Pacific to Sumas on the international boundary it could not carry higher than the coast basis at Sumas and intermediate points, and this in turn forced the Northern Pacific to apply the coast basis at Sumas and points intermediate to Seattle. Bellingham and intermediate points were originally placed on the coast basis by the Great Northern to meet the cross-country competition of the Northern Pacific and Canadian Pacific. Subsequently the Canadian Pacific established joint rates with the Bellingham Bay & British Columbia Railroad to Bellingham, which, to move any traffic, had to be on the coast basis. The Great Northern, in turn, to obtain traffic from Sumas established joint rates with the Bellingham Bay & British Columbia Railroad from that point, also of necessity on the coast basis, and as in hauling from Sumas eastbound the Great Northern hauls through Bellingham to Everett, it was compelled for this reason, in addition to that of cross-country competition, to maintain Bellingham and other intermediate points on the coast basis.

This situation, of course, prevented the application of higher than the coast basis at interior points on the main lines of each carrier, and each carrier naturally extended this basis to its interior branch lines to develop its local territory.

The extension by the carriers of the terminal rates to points off their own rails and on the rails of other carriers is, under the issues of this case, the more important fact. In this connection it is averred by defendants that the Great Northern has no joint rates on the coast or terminal basis from the local points on the Northern Pacific to eastern destinations, nor has the Northern Pacific any such rates from local points on the Great Northern and that the only road having such rates is the Milwaukee, which carries the coast basis of rates from certain local points on the Great Northern and the Northern Pacific only to local noncompetitive points on its own line in the east. Neither the Great Northern nor the Northern Pacific has any such rates from local points on the Milwaukee. The Milwaukee's rates from points on the Great Northern and the Northern Pacific are described as the survival of joint rates published by the Great Northern and the Northern Pacific from points on their own line to points in the east on the line of the Milwaukee before the Milwaukee extended its own line to the coast. Formerly the traffic was exchanged at the eastern junctions of the Milwaukee with the other two roads, but it is claimed that the Milwaukee when it built its line to the coast insisted on its right to the long haul on this

traffic, which meant its transfer at the western instead of the eastern junctions.

At the time of the hearing of this case certain rates were in effect between the rail carriers and boat lines operating on Puget Sound, which in the cases of the Northern Pacific and the Great Northern constituted a different situation from that just described, in that they did show an extension of the terminal rates by these roads to points off their own lines. The history of the rail-and-water rates as given by defendants is, in brief, as follows: Before the Milwaukee constructed its line to the coast there were no arrangements between the rail carriers and the boat lines regarding the transportation of shingles from the Olympic peninsula water-locked points to the mainland. The shingle mills paid the boat lines from 12½ to 15 cents for transporting their shingles to the mainland terminal points of the rail carriers, from which points the coast rates applied. When the Milwaukee reached the coast, however, in an effort to attract the shingle traffic to its rails it established joint rates with the boat lines from various points on the lines of the other two roads, the Great Northern and the Northern Pacific, to its own terminals. For example, it established joint rates with the Skagit River Navigation Company via Seattle, applying from Great Northern terminals north of Seattle, such as Anacortes, Everett, and Edmonds, and from points on the Northern Pacific south of Tacoma, such as Olympia and Dupont, in connection with the Merchants Transportation Company via Tacoma. It also established joint rates from the water-locked points on the Olympic peninsula. These rates were made in connection with the Port Crescent Timber Transportation Company via Seattle and were on a basis of 5 cents over the coast or terminal rates.

In order to meet this competition of the Milwaukee for the shingles controlled by the boat lines, the Great Northern and the Northern Pacific established with various boat lines joint rates on a like basis applying from mainland points not only on the lines of each other but also, in some instances, from points on their own lines. For example, the Great Northern, in connection with the Merchants Transportation Company and the Puget Sound Naval Station Route, established joint rates on the terminal basis from Dupont, which, as above indicated, is a point south of Tacoma on the line of the Northern Pacific, the charges of the boat lines being absorbed and a division of the terminal rate allowed them. The Great Northern also established similar rates from Edmonds and Everett in connection with the Puget Sound Naval Station Route and other boat lines. These points are on its own line. It appears that no shingles actually originate at these points, and that the rates were intended to ap

forced by geographical and competitive conditions. The Northern Pacific by establishing the coast basis of rates at Portland necessarily established it as the maximum at Tacoma, since, in serving Portland, that road hauled through Tacoma. This, of course, would necessitate the maintenance by the Great Northern of the coast basis between Portland and Tacoma, and incidentally at Seattle, as the Northern Pacific, eastbound, hauls south from Seattle through Auburn, a junction near Tacoma. The Great Northern, by making the coast basis at Seattle, necessarily fixed that basis for Everett, as it hauls from Seattle eastbound through Everett. The Canadian Pacific, to compete with the Great Northern for any traffic at Seattle, had to carry the coast basis from that point, and, as the Canadian Pacific eastbound from Seattle hauls over the Northern Pacific to Sumas on the international boundary it could not carry higher than the coast basis at Sumas and intermediate points, and this in turn forced the Northern Pacific to apply the coast basis at Sumas and points intermediate to Seattle. Bellingham and intermediate points were originally placed on the coast basis by the Great Northern to meet the cross-country competition of the Northern Pacific and Canadian Pacific. Subsequently the Canadian Pacific established joint rates with the Bellingham Bay & British Columbia Railroad to Bellingham, which, to move any traffic, had to be on the coast basis. The Great Northern, in turn, to obtain traffic from Sumas established joint rates with the Bellingham Bay & British Columbia Railroad from that point, also of necessity on the coast basis, and as in hauling from Sumas eastbound the Great Northern hauls through Bellingham to Everett, it was compelled for this reason, in addition to that of cross-country competition, to maintain Bellingham and other intermediate points on the coast basis.

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to shingles brought there by the boat lines from the Olympic peninsula. For this water haul the shippers paid $2\frac{1}{2}$ cents. In the case of Edmonds, for example, the shingles might have been transferred from the boat lines to the Great Northern and shipped directly from this point to eastern destinations. Under the practice, however, the boats simply touched at Edmonds, made out a bill of lading describing the shipment as originating there, and then proceeded to Seattle, where the shingles were actually unloaded and transferred to the Great Northern. For this service the boat lines were allowed a division of the through rate which was at first $7\frac{1}{2}$ and later 10 cents. The Great Northern then hauled the shingles over its rails back through Edmonds and on to the east, Edmonds being intermediate to Seattle on the Great Northern's eastbound haul. This anomalous practice, which we have elsewhere described, was manifestly adopted merely as a device to enable the Great Northern to compete for the shingle traffic of the Olympic peninsula controlled by the boat lines without actually extending its terminal rates to the water-locked points on the Olympic peninsula.

Somewhat recently the carriers filed schedules proposing the cancellation of these rates with the boat lines on Puget Sound. It is said in defendants' brief in this case that the reasons which led to the cancellation of these rates were the opportunity they afforded for manipulation by allowances of excessive divisions to the boat lines for traffic which not only did not originate at these points but in some instances probably did not even touch at them and obtained the divisions by manipulation of the boats' manifests. These cancellations were considered by us in *Lumber Rates from Oregon and Washington to Eastern Points*, 29 I. C. C., 609, and for the reasons therein indicated we held that they were proper.

Our conclusions upon the foregoing facts are as follows. With the cancellation of the rates with the boat lines the complainants' charge of discrimination based on this score, of course, falls. It should be remarked, however, that while the cancellations covered nearly all the water-and-rail rates discussed in this case they did not include the rates to Port Blakeley and Eagle Harbor and to Columbia River points mentioned above as examples of terminal rates applied to water-locked points. The Port Blakeley and Eagle Harbor rates are rates made by the Milwaukee with its own boat line, the Milwaukee Terminal Company. There are no shingle mills at either place, and the rates are explained as having been a part of the general extension by the Milwaukee of its lumber tariff rates to these points which, it is testified, have always been considered Seattle rate points, being located in what may be termed Seattle Harbor. This situation, we believe, is clearly distinguishable from the general situation respecting the water-locked points and can not support

the general charge of discrimination. The rates to Allenville and other Columbia River points are said to have resulted from the establishment of terminal rates to these points by the Oregon-Washington Railroad & Navigation Company, which is not a defendant in this case, in connection with its own boat line operating on the Columbia River in and out of Portland. We are of opinion, in line with our conclusions which follow respecting the mainland rail rates, that the defendants may engage in the competition for this traffic without being required to extend the terminal rates to Olympic peninsula points where there is at present no competition.

The carriers' defense with respect to the charge of discrimination predicated on the rail rates on the mainland is that the blanketing of the terminal rates to points on their own rails within the territory above described as well as the extension, in the case of the Milwaukee, of these rates to points on the rails of the other carriers defendant is justified by competitive conditions at the mainland points which do not exist at the water-locked points. It is pointed out that the rails of none of the carriers reach the water-locked points, and that, consequently, there is no competition between them there. It is contended, therefore, that under this difference in conditions the failure to accord the water-locked points the terminal rates while maintaining them to the mainland points does not constitute the discrimination prohibited by the act.

We are of opinion that this contention is sound. Whatever might have been the view while the arrangements with the boat lines plying to the water-locked points mentioned in the complaint were in force, with their elimination there clearly are no such competitive conditions at the water-locked points as obtain on the mainland. The conditions which induced the blanketing of the mainland points on the carriers' own rails clearly do not argue for the involuntary extension of this basis to the water-locked points which are off their rails. The fact that the Milwaukee has entered into joint rates on the terminal basis with the Northern Pacific and the Great Northern for shingles originating at local points on those lines destined to non-competitive points on the Milwaukee in the east and so has been allowed to compete for the long haul on this traffic does not present a situation similar to that obtaining at the water-locked points at which are located complainants' mills, where there is now no competition between the rail lines defendant. Consequently, the difference in rates does not constitute unjust discrimination. We concluded, therefore, that the charge of discrimination has not been sustained.

One other allegation of the complaint should be noticed. Complainants pointed to the fact that the carriers had established joint

rates on the terminal basis for shipments of salmon from the water-locked points. It was stated at the hearing that since there was no competition between shingles and salmon this was not urged in support of a charge of discrimination but that the salmon data was introduced as going to the question of the inherent reasonableness of the rates on shingles. The carriers explained the salmon rates on the theory that they were made to meet the competition of the water carriers for this traffic and testified that more than 50 per cent of the traffic, including both export and to eastern destinations, moves by water. Complainants replied that there was some water competition in the case of the shingle traffic, but it appeared that the amount of the movement by water was small. Whether or not the differences between the salmon and the shingle rates have resulted from the differences in the water competition, this comparison of the salmon rates as a measure of the reasonableness of the rates on shingles can not, it would seem, be in any degree determinative of the issue presented in this case, which is one of discrimination. Complainants, as above indicated, appear to concede that their case must rest on the discrimination charge, and that in the absence of discrimination it could not have been presented on the issue of the inherent reasonableness of the shingle rates.

Under all our conclusions the complaint must be dismissed, and such an order will be entered.

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INVESTIGATION AND SUSPENSION DOCKET No. 299.

RATES ON LUMBER AND OTHER FOREST PRODUCTS
FROM POINTS IN ARKANSAS AND OTHER STATES TO
POINTS IN IOWA, MINNESOTA, AND OTHER STATES.

Submitted March 14, 1914. Decided May 5, 1914.

Proposed increased rates, resulting from disagreement between carriers as to divisions,
found not to have been justified.

C. E. Spens for Chicago, Burlington & Quincy Railroad Company.

F. W. Webster for Chicago & Eastern Illinois Railroad Company
and its receivers.

C. W. Galligan for Chicago & Alton Railroad Company.

E. K. Bryan, jr., for Illinois Central Railroad Company.

N. S. Brown for Wabash Railroad Company and its receivers.

J. E. Johanson for Chicago, Rock Island & Pacific Railway Com-
pany.

S. H. West and *E. A. Haid* for St. Louis Southwestern Railway
Company and affiliated lines.

E. E. Eversull for W. T. Ferguson Lumber Company.

J. E. Morgan for Chickasaw Cooperage Company.

W. C. Dunlap for Henry Wrape Company, Mount Olive Stave Com-
pany, R. M. Fletcher Stave Company, Hampton Stave Company,
and Wilson & Wrape Stave Company.

O. W. Krafft for Ozark Cooperage & Lumber Company.

REPORT OF THE COMMISSION.

McCHORD, *Commissioner*:

Increased rates on lumber and other forest products from points
in Arkansas and other states to points in Iowa, Minnesota, and other
states, proposed in tariffs filed with the Commission by the St. Louis
Southwestern Railway Company, designated as supplement No. 3 to
I. C. C. No. 3252 and No. 3259 to become effective August 22, 1913,
were suspended at the instance of various lumber companies of St.
Louis, Kansas City, and the southwest. Generally stated, the increases
are 1 cent over the present rates, although in some instances no
increases are made and in others there are increases of $\frac{1}{2}$, $1\frac{1}{2}$, and $2\frac{1}{2}$
cents per 100 pounds. The proceeding grows out of a protracted con-
troversy between the St. Louis Southwestern and carriers operating

north of St. Louis and East St. Louis relative to divisions of the through rates. In response to the investigation order of the Commission, the St. Louis Southwestern Railway Company filed a formal answer to the effect that, in view of the pendency of the investigation by the Commission, under Docket No. 4907, *In the Matter of Southern and Southwestern Lumber Rates*, the rates would not have been increased at this time were it not for the fact that the northern lines had arbitrarily demanded increased divisions. A cross bill, filed with the answer, alleged that the carriers parties to the former rates can not agree upon divisions thereof, nor would they be able to agree upon divisions of the suspended rates, if sustained, or of any rates established by the Commission in lieu thereof. The Commission is asked to fix the divisions of whatever through rates may be prescribed.

The face of suspended tariff I. C. C. 3259 contained the notice:

The advanced rates on lumber and other forest products provided herein are the result of readjustment made necessary to allow the increased proportion demanded by lines north of East St. Louis, Ill., which increased proportions will be allowed, effective with the advanced rates.

The increase having been promulgated by the St. Louis Southwestern upon its own initiative, no attempt was made by the northern lines to sustain the reasonableness of the suspended rates, nor was any effort made by the St. Louis Southwestern to do so. The testimony was confined entirely to the question of divisions. It has been frequently held by this Commission that disputes between carriers as to divisions do not justify increases of rates. The respondents having failed to sustain the burden of showing increased rates to be just and reasonable, the tariff in question should be canceled.

As heretofore shown, the primary purpose of the tariff was not to secure for the carriers increased rates, but its avowed object was to bring to the consideration of the Commission a controversy between the parties thereto as to divisions. Section 15 of the act to regulate commerce provides:

Whenever the carrier or carriers, in obedience to such order of the Commission or otherwise, in respect to joint rates, fares, or charges, shall fail to agree among themselves upon the apportionment or division thereof, the Commission may, after hearing, make a supplemental order prescribing the just and reasonable proportion of such joint rate to be received by each carrier party thereto, which order shall take effect as a part of the original order. * * *

The Commission may also, after hearing, on a complaint, or upon its own initiative without complaint, establish through routes and joint classifications, and may establish joint rates as the maximum to be charged, and may prescribe the divisions of such rates as hereinbefore provided, and the terms and conditions under which such through routes shall be operated, whenever the carriers themselves shall have refused or neglected to establish voluntarily such through routes or joint classifications or joint rates.

The provision of the act governing the suspension of new schedules gives to the Commission authority to make such order in reference to a rate, fare, charge, classification, regulation, or practice as would be proper in a proceeding initiated after the rate, fare, charge, classification, regulation, or practice became effective.

At the expiration of 60 days from the date of service of the order herein, if the interested carriers have been unable to reach an agreement upon divisions, this Commission will, upon notification to that effect and, by supplemental order, prescribe same in accordance with the act. An order will be issued in accordance herewith.

30 I. C. C.

No. 5800.
WICHITA BUSINESS ASSOCIATION
v.
ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY
ET AL.

Submitted October 10, 1913. Decided February 10, 1914.

1. Wichita can not ship agricultural implements in the same car mixtures as Kansas City to Texas points except under rates which make a much larger combination rate for Wichita than Kansas City enjoys; *Held*, That this situation is unlawfully discriminatory against Wichita, and defendants given until August 1, 1914, to adjust these commodity rates out of Wichita so that the same relative difference is maintained as now exists between the class rates applicable from the two above-named cities.
2. Storage-in-transit contention of complainant not sustained, as it does not appear that Kansas City enjoys this privilege on shipments destined to the Texas points concerned herein.
3. Reparation denied, it not appearing that claimant was damaged by the unlawful discrimination found to exist.

Martin E. Casto for complainant.

T. J. Norton and *A. A. Hurd* for defendants.

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

The complaint here attacks the carload rates on agricultural implements from Wichita, Kans., to points on the defendants' lines in the panhandle of Texas, as unreasonable, in violation of section 1 of the act to regulate commerce, and also on the ground that said rates subject members of the complainant association to unjust discrimination in violation of sections 2 and 3 of the act, and incidentally it is claimed that certain storage-in-transit privileges should be extended to Wichita. The rates complained of are carried in Southwestern lines tariff No. 42K, F. A. Leland's I. C. C. No. 966, item No. 1092 and item No. 1098. Item No. 1092, generally speaking, names a commodity rate on "agricultural implements and parts" as distinguished from item No. 1098, which carries a commodity rate on "agricultural implements and vehicles." These two items fix the same carload rates from Kansas City and Wichita to the Texas points from Higgins to Folsom, inclusive, they being 69 cents per 100 pounds under item No. 1092, and 78 cents per 100 pounds under item No. 1098.

Kansas City and Wichita are jobbing points for agricultural implements, and their supply of these articles comes from points located on the Mississippi River and east thereof. On like shipments moving from the same eastern points Kansas City takes a 22½-cent rate, and Wichita takes a 43½-cent rate on commodities of a similar description to those carried under item 1092 and a 52-cent rate on commodities as described under item 1098, except pleasure vehicles; and since Kansas City and Wichita take the same rate to the Texas destination points, it follows that when a shipment is handled through Wichita the charge under item 1092 description is 21 cents per 100 pounds greater, and under item 1098 it is 29½ cents greater, than if it had been jobbed through Kansas City. It appears that Wichita is located some 206 miles nearer the Texas destination points than Kansas City and that the service from Wichita is identical on such shipments with that from Kansas City, with the exception that the switching charges at Kansas City are \$1 more per car than at Wichita. No fault is found with the respective inbound rates.

The defense for this situation is that Wichita has class rates to these Texas destination points which give it a much lower rate than the commodity rates specified above and almost as good an in-and-out combination rate as Kansas City enjoys. It appears, however, that these class rates are under western classification and that the carload mixture permitted by this classification is not as liberal and comprehensive as that provided for under the commodity specifications above.

The wholesalers and jobbers receive their implements in solid carloads from the Mississippi River points, but in making shipments to their customers, the retailers, it is necessary to include in a single car several different kinds of implements. Just what mixture of implements may be included in a car in order to take a certain rate is therefore of as much importance to the jobber as the rate itself.

This complaint, therefore, when so analyzed, seems to be chiefly that Wichita can not ship agricultural implements in the same car mixtures as Kansas City except under items 1092 and 1098, which make a much larger in-and-out combination rate for Wichita than Kansas City enjoys, regardless of the fact that the service is the same in both instances.

From the record we can not say that the rates complained of are unreasonable in and of themselves, but it is our conclusion from a consideration of all the facts that under the present situation there is an unjust discrimination prevailing against Wichita which is likewise unduly favorable to Kansas City, and this discrimination should be removed. These commodity rates out of Wichita, of which complaint is made, must be so adjusted that the same relative difference

is maintained as now exists between the class rates applicable from the two above-named cities. In the first instance it will be left to the defendants to so alter their tariffs as to remove this discrimination in conformity with the views herein expressed on or before August 1, 1914. If within such period the defendants do not amend their tariffs as indicated herein the Commission will then issue an appropriate order.

There is no occasion for a consideration herein of the storage-in-transit privilege contended for in the complaint, since this contention was abandoned by the complainant in the progress of this case, and it does not appear that Kansas City enjoys this privilege on freight destined to the Texas points here concerned.

A claim for reparation is made on two carloads of mixed farm implements which were consigned to A. W. Poteet at Glazier, Tex., one of the points here under consideration, by the Peru, Van Zandt Implement Company of Wichita. The consignee paid the freight on these two carload shipments, but assigned his claim for reparation to the shipper, as above, which is a member of the complainant association. We are not concerned with the legality of such an assignment and its status before the Commission, since it has not been made to appear in the record before us that either the shipper or the consignee has been damaged, and under the principle of the recent case of *New Orleans Board of Trade v. I. C. R. R. Co.*, 29 I. C. C., 32, reparation will be denied.

80 I. C. C.

No. 6247.
TAMPA BOARD OF TRADE
v.
LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL.

No. 6247 (Sub-No.1).
SAME
v.
ILLINOIS CENTRAL RAILROAD COMPANY ET AL.

Submitted April 1, 1914. Decided April 13, 1914.

Tampa, Fla., is served by the Mallory Steamship Company from Mobile, Ala., and the Gulf & Southern Steamship Company from New Orleans, La. Upon petition for the establishment in connection with those lines of through routes and joint rates to Tampa from points on the lines of rail carriers serving the other two ports named; *Held*, That such through routes should be established in connection with the Mallory Steamship Company and the defendant carriers serving Mobile will be expected to make effective within 90 days reasonable rates for the rail-and-water service. No opinion expressed as to the amount of such rates or as to the establishment of through routes in connection with the Gulf & Southern Steamship Company.

T. M. Shackelford, jr., for complainant.

W. A. Northcutt for Louisville & Nashville Railroad Company.

R. Walton Moore and *M. Carter Hall* for Mobile & Ohio Railroad Company, Southern Railway, and Illinois Central Railroad Company.

C. McD. Davis for Atlantic Coast Line Railroad Company.

W. P. Levis for Mallory Steamship Company.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

The complaints in this case ask for the establishment of through routes and joint rates from points on the lines of the defendant rail carriers to Tampa, Fla., in connection with the Mallory Steamship Company from Mobile, Ala., and the Gulf & Southern Steamship Company from New Orleans, La., such rates to be differentials lower than the all-rail rates. In addition to the water carriers the defendants are the Mobile & Ohio and Southern railways serving Mobile, the New Orleans & Northeastern and Illinois Central railways serving New Orleans, and the Louisville & Nashville Railroad serving both ports. The only differential specifically asked for was 4 cents per 100 pounds on corn, oats, bran, mill feed, and shorts in sacks and

flour in sacks or barrels, those apparently being the commodities which would move in largest quantity via the rail-and-water routes. No rates are requested on perishable articles. The testimony dealt largely with rates from the Ohio and Mississippi river crossings.

The Mallory Steamship Company operates a weekly service in either direction between New York, N. Y., and Mobile, calling at Key West and Tampa, Fla., and handling traffic between the last-named port and Mobile. The Gulf & Southern Steamship Company operates a steamer between New Orleans and Tampa, sailings from either port being made every 10 days.

Between 1890 and 1898 the Plant Steamship Company operated between Mobile and Port Tampa (10 miles from Tampa), and there was in effect a through rail-and-water route, first established in connection with the Mobile & Ohio; but upon the outbreak of the Spanish-American war in the latter year the Plant Steamship Company leased its steamer to the United States Government and abandoned the service. In the meantime the Mobile & Ohio had constructed a line from its main line at Artesia, Miss., to Montgomery, Ala., at which point it connected with the lines now a part of the Atlantic Coast Line, forming an all-rail route to Tampa. Subsequently several attempts have been made to establish steamer lines between Mobile and Tampa, but, until the advent of the Mallory Steamship Company, without success. Their failure is attributed by complainant to inability to secure at Port Tampa the service formerly accorded the Plant Steamship Company, the shallow water at the docks at Tampa, making it necessary to operate very small boats, and the refusal of the Mobile lines to join in through rates or to issue through bills of lading. The depth of water at Tampa was originally about 10 feet, but has been increased from time to time, at present being 24 feet. After a 20-foot depth had been secured the Mallory Steamship Company commenced operation to Tampa, and from the fall of 1909 until May, 1910, through rates in connection with this line were published from the Ohio and Mississippi river crossings. These rates, however, were the same as the all-rail rates and very little through traffic was attracted to the route.

An attempt was also made to establish steamer service between New Orleans and Tampa, but the company was not successful and has recently been reorganized as the Gulf & Southern Steamship Company. The only rail carriers serving New Orleans which issue through billing in connection with this line are those entering the city from west of the Mississippi River, and the steamship company has established proportional rates from New Orleans to Tampa, applicable on through traffic, of 9 cents on corn, oats, mill feed, and shorts in sacks, and 10 cents per 100 pounds on flour, corn meal, grits,

and hominy in sacks or barrels. The port-to-port rate on grain and grain products from New Orleans and Mobile to Tampa is 12 cents.

It is stated in the answer of the Mallory Steamship Company, and at the hearing in behalf of both water lines, that it is their purpose to file with this Commission as applicable on traffic from or through the Ohio and Mississippi river crossings proportional rates to Tampa from Mobile and New Orleans, which, added to the local rates to the ports, will result in total rates which they regard as reasonable differentials lower than the all-rail rates; that these proportionals will be tendered to the Mobile and New Orleans lines, which it is not doubted will permit the issuance of through billing via the rail-and-water routes; in fact, that assurance to that effect has been given by a majority of the principal lines. The rail carriers express no willingness to join in such arrangements, but urge that in case the establishment of through routes and joint rates is ordered they be not required to accept as divisions less than their full local rates to Mobile and New Orleans, which it is contended are low.

At the present time the only through class rates in effect to Tampa from the Ohio and Mississippi river crossings are those via the all-rail routes, which are made by the addition to the rates to Jacksonville, Fla., of the following arbitraries:

Class....	1	2	3	4	5	6	A	B	C	D	E	H	F
Rate....	50	43	34	32	28	27	19	7	7	3	28	30	6

These are the same as the local class rates between Jacksonville and Tampa, except on classes B, C, D, and F, the local rates on which are 15, 16, 11, and 21 cents, respectively. The rates to Tampa from Cincinnati, Ohio, Louisville, Ky., and the other Ohio River crossings are as follows:

Class....	1	2	3	4	5	6	A	B	C	D	E	H	F
Rate....	145	123	109	102	86	73	54	45	36	28	68	70	56

Those from St. Louis are:

Rate....	168	142	126	114	96	81	61	53	43	33	76	80	70
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On grain and grain products, however, the carriers have established the same rates to Tampa as to Jacksonville, 23 cents from the Ohio River crossings and 25 cents from St. Louis. This parity is due, it is stated, to water competition, grain and grain products being the commodities on which the Florida lines felt the competition through Mobile most keenly. The rate from St. Louis to Mobile on grain is 12 cents, and as stated the local water rate thence to Tampa is 12 cents per 100 pounds. The class rates to both Jacksonville and Tampa are higher than rates to some of the intermediate points.

The principal terminal lines at Tampa are the Seaboard Air Line and Atlantic Coast Line railways, both of which connect with the Mobile & Ohio at Montgomery and with the Louisville & Nashville at

River Junction, Fla. It does not appear of record via what routes the Southern handles Tampa traffic. The haul of the Mobile & Ohio to Montgomery is somewhat shorter than to Mobile, but the lines from the former allow that carrier divisions as large and in some cases, notably on grain and grain products, larger than its local rates to Mobile. The haul of the Louisville & Nashville to River Junction is somewhat longer than to Mobile.

The distance from Cincinnati to Tampa by rail is about 1,053 miles; to Mobile it is 784 miles; and the water distance from the latter point to Tampa is about 330 miles. From St. Louis the rail distances are 1,187 to Tampa and 657 to Mobile. The distance from New Orleans to Tampa by water is about 430 miles, and the distances to the former are 835 miles from Cincinnati and 718 miles from St. Louis. The distance from Jacksonville to Tampa is 212 miles.

It is contended by defendants that the present adjustment to Tampa is reasonable and nondiscriminatory; that it gives full effect to the location of Tampa and water competition thereto. In view, however, of the fact that, with the one exception noted, the adjustment is based on Jacksonville, this contention is not fully borne out, for the adjustments to Jacksonville and to the Gulf ports are not the same, considered with reference either to the various crossings or to the relation between the various classes. For instance, to Jacksonville the same rates apply from all of the Ohio River crossings and those from St. Louis are higher; to Mobile and New Orleans, which take the same rates, the rates from Louisville and St. Louis are the same, while those from Cincinnati are higher and those from the lower Ohio River crossings are lower than the Louisville and St. Louis rates.

The port-to-port rates of the water lines, which are not on file with this Commission, are, to Tampa from New Orleans and Mobile, as follows:

Class	1	2	3	4	5	6	A	B	C	D	E	H	F
New Orleans ...	70	60	55	50	40	30	25	25	22	12	—	—	30
Mobile	60	50	45	40	35	25	20	15	15	12	20	20	25

These rates, added to the rates to the Gulf ports, result in some cases in combination rates lower than the through all-rail rates. Thus from St. Louis the combinations on Mobile are lower than the through-rail rates by the following amounts:

Rate	18	17	16	24	21	21	16	0	3	1	28	3	0
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From Louisville these combinations are higher on some classes and lower on others than the through rates.

The wharf used by the Mallory Steamship Company at Mobile is served only by the Mobile & Ohio, and it is not definitely indicated of record the amount of wharfage or switching charges in effect at that point for ship-side delivery on shipments via the Mallory line to Tampa.

As stated, the rail-line defendants express no willingness to join in through rates and routes with the water carriers from Mobile and New Orleans, their attitude being attributable to better divisions in some cases via the all-rail routes and their desire to maintain the present adjustment to south Florida points. They defend the reasonableness of the present rates to Tampa and contend that the transportation facilities to that port are adequate and that the establishment of additional routes would not serve any public need. This contention, however, leaves out of consideration the fact that Tampa has natural advantages of location and is entitled to the rates normally resulting therefrom, which the rail carriers, by refusal to issue through billing in connection with the water carriers, may not deny to it.

We are of opinion that the carriers serving the port of Mobile should establish through routes to Tampa in connection with the Mallory Steamship Company, and that the rates should be reasonable for the service performed. It is customary for rates via rail-and-water routes to be somewhat lower than the all-rail rates, and in view of the willingness of the steamship company to accept proportionals which, added to the local rates to the port, will result in rates lower than the all-rail rates and the generally lower adjustment to Mobile than to Jacksonville from the Ohio River and beyond, no reason appears upon this record why reasonable differentials should not prevail to Tampa. We will not, however, upon the record before us, express any opinion as to the amount of such rates or differentials, but the defendants will be expected to establish through routes and reasonable rates within 90 days from the service of this report. In case they are unable to agree as to the amount of such rates or the rates established are not satisfactory to it, the complainant may pursue the matter further with a view to the fixing by the Commission of reasonable rates. As hereinbefore stated, while the complaint asks generally for rates from points on the lines of the defendant rail carriers the testimony referred mainly to rates from the Ohio and Mississippi river crossings and we have considered the case largely in connection with those rates and the traffic which probably would move thereon.

We will not here express any opinion as to the establishment of through routes or joint rates via New Orleans in connection with the Gulf & Southern Steamship Company, as such routes would be more circuitous than those via Mobile, and the service from New Orleans is less frequent.

INVESTIGATION AND SUSPENSION DOCKET No. 324.
GRAIN RATES TO PITTSBURGH, PA.

Submitted April 20, 1914. Decided May 4, 1914.

Proposed increase in rates on ex-lake grain from Buffalo, N. Y., to Pittsburgh, Pa., and points taking the same rates not found to have been justified. Tariffs naming the increased rates required to be canceled.

D. P. Connell for New York Central lines.

R. J. Anderson for Baltimore & Ohio Railroad Company.

H. D. Palmer for New York, Chicago & St. Louis Railroad Company.

Frank E. Williamson and *Ray M. Stanley* for protestants.

REPORT OF THE COMMISSION.

DANIELS, *Commissioner*.

By orders of October 11, 1913, and January 20, 1914, the Commission suspended until August 12, 1914, certain tariffs designated as follows: Supplement No. 8 to Buffalo, Rochester & Pittsburgh I. C. C. No. 3466; supplement No. 6 to Buffalo & Susquehanna I. C. C. No. 1626; supplement No. 20 to Lake Shore & Michigan Southern I. C. C. No. A-2733; supplement No. 5 to New York, Chicago & St. Louis I. C. C. No. 3275; and supplement No. 8 to Pennsylvania Railroad Company, Northern Central, Philadelphia, Baltimore & Washington, and West Jersey & Seashore I. C. C. No. 3420. By these tariffs the respondents propose to increase the rate on ex-lake grain from Buffalo, N. Y., to Pittsburgh, Pa., and points taking the same rate from 7½ to 8½ cents per 100 pounds. The suspensions were made upon protests filed by Charles Kennedy & Company and Whitney & Gibson, dealers in grain at Buffalo, and the transportation committee of the Corn Exchange of Buffalo.

The respondents at the hearing introduced an exhibit showing the rates on grain from various Lake Erie ports to Pittsburgh. The distances in miles, as shown by the exhibit, and the rates applicable, in cents per 100 pounds, from the various ports to Pittsburgh are shown by the following table:

Port.	Distance.	Rate.	Port.	Distance.	Rate.
Buffalo, N. Y.....	234	\$0.07½	Cleveland, Ohio.....	132	\$0.07½
Erie, Pa.....	146	.07½	Sandusky, Ohio.....	192	.08½
Fairport, Ohio.....	140	.07½	Toledo, Ohio.....	237	.08½

It is asserted by the respondents that complaints from Toledo and Sandusky to the effect that the rate of 7½ cents from Buffalo was prejudicial to shippers from those points was the cause of the proposed increase in the rate from the latter point. It appears that previous to the year 1910 rates from all the ports to Pittsburgh were on a lower basis. In the fall of 1910 rates from all the ports except Buffalo were made 86⅔ per cent of the sixth-class rates. The rate from Buffalo was not disturbed at that time. It is not contended by the respondents that the rates from Buffalo to the points in question are too low, or that they are not remunerative. The contention is that they are out of line with rates from other points from which the distance to Pittsburgh is the same or less.

On behalf of protestants it is pointed out that the rate comparisons made by respondents have reference only to Pittsburgh proper. It is asserted that there is no movement of grain to Pittsburgh from Buffalo or any other Lake Erie port. The points to which grain is shipped from Buffalo are those towns and cities in what is known as the Pittsburgh group in which flour mills are operated. There are 13 towns in the Pittsburgh territory at which are operated 15 flour mills and to which shipments of grain are made by Buffalo dealers. In the aggregate about 500,000 bushels of grain are shipped yearly to these points from Buffalo. The points in Pennsylvania referred to, with their distances in miles from Buffalo and the yield in mills per ton per mile at the rate of 7½ cents, now in effect, are shown by the following table:

Point.	Distance from Buffalo.	Yield per ton-mile.	Point.	Distance from Buffalo.	Yield per ton-mile.
Dubois.....	159	9.43	East Brady.....	202	7.42
Brookville.....	169	8.81	Indiana.....	217	6.91
Big Run.....	174	8.62	New Bethlehem.....	228	6.57
Punxsutawney.....	181	8.28	Butler.....	242	6.15
Emlenton.....	182	8.24	Summerville.....	242	6.15
Savan.....	194	7.73	Saltsburg.....	267	5.61
Marion Center.....	200	7.50			

The average distance is 204 miles and the yield per ton-mile on the average 7.51 mills.

Protestants assert that in the sale of grain at the points above named they have never met in competition grain shipped from any Lake Erie port. The competition is with grain shipped all rail from Chicago. The rate from Chicago to Pittsburgh, Emlenton, East Brady, and Butler is 10 cents, and to the other points 13 cents. It is shown that the freight charges on a shipment of wheat, lake and rail, from Chicago via Buffalo amount to 12.08 cents to the points in question. It is contended that the increase in the rate from Buffalo would make it impossible for Buffalo grain dealers to make

sales at any of the points named in competition with grain shipped from Chicago. It is to be observed that the rate now in effect from Buffalo to Pittsburgh territory is 75 per cent of the sixth-class rate, and that the rate from Chicago is 66 $\frac{2}{3}$ per cent of the sixth-class rate.

In attempting to show the necessity for the removal of what the respondents assert to be an undue discrimination against Toledo and Sandusky they have introduced no evidence to show that the existing rates from Buffalo are too low. They have assumed that the application of 86 $\frac{2}{3}$ per cent of the sixth-class rate from Toledo and Sandusky is reasonable, and therefore the same basis from Buffalo must be reasonable. The value of the service to the Buffalo shipper has not been considered. The record does not show that there is any movement of grain from either Sandusky or Toledo to any point in Pittsburgh territory. There is a large movement from Buffalo. The maintenance of the present basis of rates from Buffalo and from the other Lake Erie ports for a period of nearly four years without protest, so far as we are advised, leads to the very reasonable presumption that it has operated without serious prejudice to any community. On this record we find that the respondents have not justified the increase proposed from Buffalo to Pittsburgh and points taking the same rates. An order will be entered requiring the maintenance of the present rate for a period of not less than two years.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 359.

MALT RATES TO TEXAS POINTS.

Submitted April 16, 1914. Decided May 11, 1914.

Proposed rates involving an increase of 4 cents per 100 pounds on malt in carloads from Chicago, Ill., and points in Wisconsin and Minnesota, to destinations in Texas, not justified.

R. W. Flournoy for Texas Brewing Company.

A. C. Fonda for Gulf, Colorado & Santa Fe Railway Company and Atchison, Topeka & Santa Fe Railway Company.

M. J. Dowlin for Chicago, Rock Island & Pacific Railway Company and Chicago, Rock Island & Gulf Railway Company.

J. R. Christian for Texas & New Orleans Railroad Company; Galveston, Harrisburg & San Antonio Railway Company; and others.

J. F. Garvin for Missouri, Kansas & Texas Railway Company of Texas and Missouri, Kansas & Texas Railway Company.

J. B. Payne for Texas & Pacific Railway Company and International & Great Northern Railroad Company.

P. H. Welborne for St. Louis & San Francisco Railway Company and St. Louis & San Francisco Railroad Company.

REPORT OF THE COMMISSION.

HALL, Commissioner:

This proceeding grows out of the protest of brewers in Texas against an advance of 4 cents per 100 pounds in freight rates on malt, published by the respondent carriers. These increased rates have been suspended by the Commission pending the outcome of its investigation herein.

The malt is moved in carloads from Chicago, Ill., and from points in Wisconsin and Minnesota, to Texas common points and is used in the manufacture of beer.

The rate for this movement of malt was fixed by the Commission in *Texas Brewing Co. v. A., T. & S. F. Ry. Co.*, 21 I. C. C., 171, by adding a differential of 5 cents per 100 pounds to the then existing rates on barley. The carriers contended in that proceeding that malt is a product of barley, as flour is of wheat, and the Commission in fixing the rates on malt used the differential of flour over wheat, which was long ago fixed by the Commission in *Board of Railroad Commissioners of Kansas v. A., T. & S. F. Ry. Co.*, 8 I. C. C., 304.

After the expiration of the Commission's order in the *Texas Brewing Co. case, supra*, the carriers increased the rates on barley from

Chicago and from points in Wisconsin and Minnesota to Texas common points, by 4 cents per 100 pounds. These increased rates became effective without protest. Thereafter the carriers filed the proposed rates on malt which include the advance of 4 cents per 100 pounds over the rates named by the Commission in the *Texas Brewing Co. case*.

The carriers respondent have shown that the rates on barley to these Texas points are "paper" rates, as there is no substantial movement of barley thereunder, and they admit that the recent increase therein was merely preliminary as a basis for the proposed increase in rates on malt. But in addition to thus preserving the 5-cent differential of malt over barley, fixed in the *Texas Brewing Co. case, supra*, they offer evidence in support of the advance in malt rates as being just and reasonable in itself. This is to the effect that the advance simply corrects an entirely unnecessary reduction, unsought by the shipper, in the rates on barley made in 1909. A check of the tariffs discloses that up to March 27, 1909, the rate on barley from this territory of origin to Texas points was the rate applicable to corn chops. On that date it was reduced to the rate applicable to corn and oats, which was $2\frac{1}{2}$ cents less per 100 pounds than on corn chops. This effected a reduction of $2\frac{1}{2}$ cents per 100 pounds in the barley rates. It may be here observed that barley, being a whole grain, is more properly rated with corn and oats than with corn chops.

Further support of the rates here suspended proceeds upon the theory that the rate on malt should not be less than the rate on flour. This, it will be noted, goes beyond the doctrine laid down in the *Texas Brewing Co. case, supra*. Reference is made to the rates fixed by this Commission in *Farmers, etc., Club v. A., T. & S. F. Ry. Co.*, 12 I. C. C., 351, on flour from Kansas points to Texas common points, and a comparison is offered of the revenue per ton per mile from such rates and from the proposed rates on malt. The Commission does not find this comparison helpful. The haul of the malt is substantially twice that of the flour. Respondent carriers contend that after making due allowance for the difference in distance, and under application of the rule that revenue per ton per mile should decrease with the increase of the distance, the proposed malt rates are on a lower plane than the flour rates set up in comparison. The general rule is well recognized. but we are aware of no measure or standard by which this Commission can find that the ton-per-mile units offered here vary *only* because of distance, and as to distance, vary properly.

While it may be true that malt rates may be scaled higher than barley rates, or even upon the same differential as flour rates over

wheat rates, it does not necessarily follow that malt should take the same rate as flour. Malt is simply whole barley, germinated and swelled. Flour is a milled product. In value they rate about equally. Flour, however, is an article finished and ready for human consumption, while malt is merely one material used in producing an article of human consumption, i. e., beer. Malt loads more heavily than flour, and this is reflected in the minimum carload weights. It is less subject than flour to loss and damage in transit, and is adapted to methods and facilities of transportation ordinarily furnished for whole grains.

The carriers show that the total movement of malt to Texas points is far less than the total movement of flour to, from, through, and within the state of Texas. But there is nothing in this record to warrant a finding that the comparative movement of malt and flour to Texas points is such as to make just and reasonable a rate on malt approximately as high as on flour.

It is the view of the Commission that the proposed rates have not been justified, and the respondents herein will be required to cancel them.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 6054.

MERCHANTS & MANUFACTURERS ASSOCIATION

v.

BALTIMORE & OHIO RAILROAD COMPANY ET AL.

Submitted April 9, 1914. Decided May 11, 1914.

For many years defendants maintained at Baltimore, Md., a store-door pick-up and delivery service which, except as to certain specified articles, embraced the first three classes of freight from defined eastern and New England territory. September 1, 1913, this service was withdrawn without change in the transportation rates, and the generally prevailing method of station delivery has since obtained. Complainant alleges that because of the discontinuance of store-door delivery, and for other reasons, the class rates between the points referred to and Baltimore are unreasonable, unjustly discriminatory, and unduly prejudicial. Reparation is asked from September 1, 1913. Upon the facts of record, *Held:*

1. That defendants were warranted in the discontinuance of store-door delivery.
2. That the allegations of the complainant in other respects are not sustained. Complaint dismissed.

John B. Daish and *A. C. Trippe* for complainant.

William Ainsworth Parker for Baltimore & Ohio Railroad Company.

Henry Wolf Biklé for Pennsylvania Railroad Company and allied lines.

REPORT OF THE COMMISSION.

DANIELS, Commissioner:

The complaint in this proceeding, filed September 8, 1913, assails as unreasonable, unjustly discriminatory, and unduly prejudicial the rates charged by respondents for the transportation of the several classes of freight between defined eastern and New England territory and Baltimore, Md. Complainant is an incorporated association whose membership is composed of merchants and manufacturers of the city of Baltimore. The distances in miles between Baltimore and some of the more important of the points involved, with the present class rates in cents per 100 pounds, are shown in the following table:

From Baltimore to—	Miles.	1	2	3	4	5	6
Boston.....	406	42	37	32	24	20.5	17
Providence.....	379	42	37	32	24	20.5	17
New York.....	188	34	29	23	18	15	12
Philadelphia.....	95	23	20	18	12	10	9

For many years freight of the first three classes, with certain specified exceptions, from the originating points in question, was given store-door pick-up and delivery service at Baltimore, within certain prescribed limits. On September 1, 1913, this store-door pick-up and delivery was withdrawn by the carriers. The immediate cause of withdrawal was the decision by this Commission in the case of *Washington, D. C., Store-door Delivery*, 27 I. C. C., 347, to the effect that a similar service at Washington could not be withdrawn without causing undue discrimination so long as the same kind of service was continued at Baltimore. In order to effect the withdrawal at Washington the service was withdrawn at Baltimore also.

The matter of store-door delivery at Washington had been previously considered by this Commission in two other cases: *Casassa v. P. R. R. Co.*, 24 I. C. C., 629, and *Anacostia Citizens Asso. v. B. & O. R. R. Co.*, 25 I. C. C., 411. The history of the service, and some of the considerations which led to its withdrawal, are given in the case first cited, hereinafter referred to as the *Washington case*.

The chief ground of the present complaint as to the rates for the first three classes is based on the elimination of store-door delivery. It is alleged that the withdrawal amounted substantially to an increase in the rates, and that the burden is upon respondents to justify such increase. The rates in the tariffs have not been changed, but, as was observed in the *Washington case*, the amount of service given is less; and it is as much an increase of rate to give less service for the same amount as to charge a greater amount for the same service. Following the principle of that case, we hold that to the extent of the reasonable cost of store-door delivery, the burden is upon respondents to justify the withdrawal of the service and the consequent increase of cost to the shipper. As to the last three classes, and as to the articles excepted from the first three classes, the burden of proof is upon complainant.

The record shows that store-door delivery at Baltimore was first inaugurated in 1867 by the old Philadelphia, Wilmington & Baltimore Railroad. When that road became a part of the Pennsylvania system in 1881 the delivery service was taken over and continued. In 1886, when the Baltimore & Ohio completed its Philadelphia and New York extensions, store-door delivery was begun by that line. Certain water lines reaching Baltimore established, at a date not disclosed of record, a similar service.

For a number of years the Pennsylvania and allied lines paid to the Baltimore Transfer Company for the delivery service 5 cents per 100 pounds first class, 4.5 cents second class, and 4 cents third class. The average charge for all three classes was about 4.5 cents per 100 pounds. From 1907 until the withdrawal of the service additional amounts were paid per week or per month for expense of

clerk hire and station or platform work in connection with the service. For the Baltimore & Ohio, delivery was performed by the Blue Line Transfer Company, at a cost to that road of about 4 cents per 100 pounds. The expense for clerk hire and station or platform work is now borne by the carriers. It was testified at the hearing that the additional expense for clerk hire alone amounts to about \$2,500 per month to the Pennsylvania lines. There are also additional expenses for labor in handling the freight at the stations to make it accessible to consignees, or to delivery agencies employed by them. Increased terminal facilities are likewise made necessary by the changed conditions.

It was said that the question of discontinuing store-door delivery had been a matter of concern to the carriers for a number of years owing to increased expenses in connection with it, insistent agitation for its extension to other communities, and increasing necessity for standardization of practices; but that the need of adequate station facilities and the perfecting of plans for their construction, coupled with the force of inertia, had delayed effective action until the carriers by the order of this Commission in the *Washington case*, were forbidden to discontinue the service at Washington so long as they maintained it at Baltimore.

Complainant's contention is in effect that the withdrawal of the service should have been accompanied by a reduction of the transportation rates to the extent of its cost to the carriers. Respondents say that the service was originally instituted and afterwards continued because of the lack of adequate freight station facilities, and was never intended to be permanent; that they are compelled at great expense to enlarge their freight stations in order to adjust themselves to the new conditions; that the service as originally accorded involved delivery on the first or second floor instead of on all floors of high buildings of more recent date; and that there was no increase in the transportation rates to cover the cost of the service.

Store-door delivery enabled the carriers to handle freight so delivered with a minimum of station or warehouse storage facilities; and undoubtedly the discontinuance of the service has made it necessary for them to enlarge their terminal facilities in this respect. We gather from the record that they are now engaged in work to this end. There has been congestion at the terminals, and it was for a time of a serious nature, but these conditions have undergone material change for the better in recent months. It was testified that as to some of the stations, congestion and resulting delays were less at the time of the hearing than for years. Delays in delivery were most marked immediately after the discontinuance of the store-door service; but as shippers have become accustomed to the new methods, congestion has become less noticeable and the situation has greatly

improved. Under the former régime consignees were not given notice of arrival of freight, but when the practice was discontinued, notice of arrival had to be given, and additional expense to the carriers for such notification was thereby required.

There is some contention that store-door delivery was established to meet competition by water lines, and it is claimed that the cost of the service was included in the adjustment of the rates as to the first three classes. To support the contention, complainant relies chiefly upon a letter filed of record addressed to the Philadelphia Chamber of Commerce under date of April 14, 1910, by the then freight traffic manager of the Pennsylvania lines. This letter related to a large number of matters. The portion bearing upon this question is as follows:

The delivery of first, second, and third class merchandise traffic to store door in Baltimore.

This condition has existed for some 30-odd years, it having been in effect when we took over the old Philadelphia, Wilmington & Baltimore Railroad, and in looking into the matter many years ago we discovered that the rates were adjusted by adding to the then railroad rates to Baltimore rates per 100 pounds for cartage, which rates were furnished by responsible transfer companies in Baltimore; this being necessary owing to the water lines making delivery. This free delivery covers restricted territory.

To change this * * * would bring about a reduction only in the rates to Baltimore, and would not in any way affect Philadelphia or any other city; in fact, to reduce the published rates to Baltimore to the extent of the allowance for cartage at this time would, in our judgment, seriously interfere with general business conditions at Philadelphia and at other cities, for the reason that competitive business conditions have long since adjusted themselves to this basis of rates, which, as stated, is of long standing.

Several other matters of record are to be considered in connection with this letter: In the first place, in 1873 rates were issued by the Pennsylvania road for four classes only. Between New York and Baltimore the rates were on a basis of 50 cents first class, 40 cents second class, 30 cents third class, and 20 cents fourth class. That scale was continued until 1887, when the rates were published in six classes on the basis of 34 cents first class to 12 cents sixth class. This scale has been in effect ever since April 1, 1887, except for a period of about one month in the latter part of 1888. Even though it were conceded that store-door delivery was established in 1867 under an adjustment whereby the cost of the service was added to the transportation rates, as appears to have been the information or opinion of the writer of the letter, and that the situation was the same under the adjustment of 1873, it would not follow that such was the case with respect to the present adjustment, especially in view of the fact that the earlier rates were greatly reduced as to the first, second, and third classes by the adjustment which went into effect in 1887, and has continued in effect ever since. The evidence does not show that under the new adjustment there was or has been any hump in

the rate-structure for the first three classes to offset the cost of the delivery service. It is important to observe that the reductions in the earlier rates were 16 cents first class, 11 cents second class, and 7 cents third class, whereas for the fourth class, as to which store-door delivery did not apply, the reduction was 2 cents. This would seem to indicate that even though the cost of the delivery service may have been included in the earlier rate adjustment it was not included in the adjustment of 1887.

The relation between the present rates for the first three classes and those for the last three does not indicate any hump in the rate-structure as to the first three classes. This view is strengthened by a consideration of the interclass relation of rates to Baltimore from points whose traffic was not accorded store-door delivery, some of which are given in the following table:

From Baltimore to—	Miles.	1	2	3	4	5	6
Buffalo, N. Y.....	398	39	33	28	19	16	13
Pittsburgh, Pa.....	334	37	31	27	18	15	12
Tyrone, Pa.....	202	36	30	26	17	14	11
Williamsport, Pa.....	176	35	30	23	17	15	12
Cumberland, Md.....	178	36	30	26	17	14	11

It is to be observed that the spread between the rates for the third and fourth classes from Buffalo, Pittsburgh, Tyrone, and Cumberland, is in each case 9 cents, and from Williamsport 6 cents, whereas the spread between the rates for the same classes from Boston and Providence is 8 cents, from New York 5 cents, and from Philadelphia 6 cents. It is also noticeable that the ratio of first class to sixth class is approximately one to three; there is no noticeable departure from this ratio in the rates between the various points of origin (New York and New England) and Baltimore. The comparisons do not support the theory that the cost of the delivery service was provided for in the rates here involved. Their evidential effect is plainly against such a theory.

On the whole, the record rather unconvincingly indicates that the service was first inaugurated and afterwards maintained as a means of relief to the carriers because of inadequate terminal facilities. But the origin is of minor import. The evidence is somewhat stronger that the cost, at least since 1888, has not been included in the transportation rates any more than would ordinarily be true of outlays for the construction and maintenance of adequately equipped freight stations and warehouses.

Moreover, to hold that the existing rates on the commodities to which store-door delivery applied are, by its discontinuance, rendered unreasonable to the extent of the cost of the service, would necessarily develop a relative inequality of rates as to the articles excepted from the first three classes, as well as to the commodities embraced in the

last three classes, to be followed by confusion and disorder in the general class adjustment which has been in effect, substantially as it exists to-day, for more than 25 years. If the rates on the commodities formerly covered by store-door delivery were reduced to the extent of the cost of that service, what would be the measure of reduction as to the excepted articles, or as to the commodities embraced in the classes to which the service did not apply? The record furnishes no basis for a satisfactory answer to this question.

It is to be borne in mind in this connection that the service related only to the first three classes moving from a restricted territory of origin, and that even from these many articles were excepted; and also that the privilege accorded did not extend to any store outside the district prescribed by the carriers.

It is incumbent upon carriers to provide adequate station and warehouse facilities for the expeditious handling and delivery of freight transported by them. While the congestion at Baltimore incident to the discontinuance of the former delivery service, and the substitution therefor of the customary method of station delivery, has been in considerable measure relieved by increased facilities at some of the stations, and a better understanding by shippers of the new methods of delivery, it is apparent from the record that the present service is not as efficient as it should be. It is the plain duty of the carriers to further improve their terminals at Baltimore so as to enable them under the new methods of delivery to comply with all reasonable demands of existing traffic conditions. If this is not promptly done the matter should be brought to our attention in another proceeding to the end that proper and complete relief may be afforded.

In the *Washington case*, we observed that the store-door service at both Baltimore and Washington presented features which in the absence of further explanation appeared to be grossly discriminatory. The present record leaves no doubt on this subject. The service was accorded only within restricted limits in each city, and was never accorded to any other city by the respondent carriers, nor to freight from points other than those in the restricted territory hereinbefore referred to. Buffalo, N. Y., Cleveland, Ohio, Pittsburgh and Harrisburg, Pa., and other important cities, all in commercial competition with Baltimore and Washington, were not only never given such delivery service, but the privilege was denied to traffic from those cities to Baltimore and Washington, although in direct competition with traffic from Philadelphia, New York, and New England. The discontinuance of the service has had the effect to place Baltimore and Washington on the same relative basis with other large cities served by respondents, and its tendency is toward a standardization of the practices relating to traffic delivery. A reduction of the rates for the first three classes, as here contended for, would tend to reestablish the

same discrimination we condemned in the *Washington case*. The situation eliminated by the cessation of store-door delivery well exemplifies the self-perpetuating power of discrimination. Whether originally there was a hump in the rate structure on the first three classes of freight which made clear the reason for this exceptional practice need not here concern us. The original arrangement was soon forgotten. Shippers very naturally felt entitled to what became customary. The carriers, if they realized the discriminatory character which was apparent when new rate schedules had replaced the original schedules, lacked the courage to incur the displeasure of patrons. The eventual result has been that when this pocket of discrimination is cut out, irritation is felt, which while unavoidable, ought not to prevent the elimination of a special privilege of many years standing. To remedy a situation like this, inevitably causes some hardship; but to refuse to remedy it would be to perpetuate unjust discrimination.

Complainant further contends that the rates are unreasonable aside from the question of store-door delivery. This phase of the issue embraces both the first three and the last three classes. Complainant relies chiefly upon comparisons with class rates between various other points in north Atlantic seaboard territory. The rates under attack and some of those referred to by way of comparison, as in effect about the time this complaint was filed, are shown in the following tables, in cents per 100 pounds:

	Miles.	1	2	3	4	5	6
I.							
<i>Boston-Baltimore</i>	406	48	37	38	24	20.5	17
<i>Providence-Baltimore</i>	379	48	37	38	24	20.5	17
<i>Portland-Baltimore</i>	510	42	37	32	24	20.5	17
<i>Portland-Philadelphia</i>	413	40	34	26	20.5	17.5	15
<i>Portland-Wilmington</i>	439	40	35	27.5	20.5	17.5	15
<i>Portland-Trenton</i>	379	40	34	26	20.5	17.5	15
<i>Portland-New York</i>	318	40	34	26	20.5	17.5	15
<i>New York-Richmond</i>	342	37	32	26	23	17	14
<i>Trenton-Richmond</i>	286	37	32	26	23	17	14
<i>Philadelphia-Richmond</i>	252	37	32	26	23	17	14
<i>Wilmington-Richmond</i>	227	37	32	26	23	17	14
<i>Boston-Philadelphia</i>	310	35	30	25	20	17	15
<i>Albany-Wilmington</i>	258	35	30	25	18	15	13
<i>Albany-Philadelphia</i>	232	35	30	25	18	15	13
<i>Albany-Trenton</i>	198	35	30	25	18	15	13
II.							
<i>New York-Baltimore</i>	188	34	29	23	18	15	12
<i>Trenton-Baltimore</i>	130	34	29	23	17	15	12
<i>Boston-New York</i>	214	34	29	21	19	16	14
<i>Providence-Albany</i>	200	30	27	22	15	14	13
<i>Albany-Boston</i>	201	30	27	22	15	14	13
<i>Portland-Providence</i>	171	30	27	23	17	15	13
<i>Wilmington-Norfolk</i>	228	30	25	21	18	14	11
III.							
<i>Philadelphia-Baltimore</i>	96	23	20	18	12	10	9
<i>New York-Philadelphia</i>	91	22	18	15	12	10	9.5
<i>Wilmington-Baltimore</i>	71	22	20	17	11	10.5	9
<i>New York-Wilmington</i>	116	28	23	19	14	12	10.5
<i>Richmond-Norfolk</i>	106	26	22	18	16	13	10
<i>Fredericksburg-Baltimore</i>	94	26	22	18	16	13	10

Many other rates have been filed of record, but those given in the tables are fairly representative. It is found from an analysis of the tables that as to the points stated the scale of 42 to 17 cents covers an average distance of about 431 miles; that the scale of 40 to 15 cents covers an average distance of about 387 miles; that the scale of 37 to 14 cents covers an average distance of about 276 miles; and that the scale of 35 to 15 or 13 cents covers an average distance of about 249 miles.

The New York-Baltimore scale of 34 to 12 or 14 cents covers an average distance of about 177 miles, and the scale of 30 to 13 or 11 cents covers an average distance of about 200 miles.

The Philadelphia-Baltimore scale of 23 to 9 cents, for a distance of 95 miles, is compared with other scales of 22 to 9 cents, 23 to 9.5 cents, 26 to 10 cents, and 28 to 10.5 cents for distances ranging from 71 to 116 miles.

Between Wilmington and Baltimore, a distance of 71 miles, the rates are substantially the same as between Philadelphia and Baltimore. Between New York and Philadelphia, a distance of 91 miles, the rates are slightly lower than between Philadelphia and Baltimore as to the first three classes, the same as to the fourth class, and slightly higher as to the last two classes.

More extensive comparisons could be shown from complainant's exhibits, but it is not believed that additional light would be furnished thereby. It is proper to state that by tariffs effective April 1, 1914, the rates between Albany and Boston were increased to a scale of 35 to 12 cents, and those between Portland and Providence to a scale of 35 to 13 cents. There have been numerous other recent increases of a similar nature.

The comparisons relied on do not prove that the rates in question are unreasonable. While some of the rates in the tables may appear on their face to be out of line with other rates for substantially similar distances, it is to be borne in mind that different transportation conditions obtain and varying degrees of water competition prevail in different parts of the territory covered by the comparisons. To what extent these diversified and varying conditions influenced or controlled the rates referred to by way of comparison does not appear. The manner and circumstances under which the general rate structure was formed are not shown by the record.

The evidence does not show that the present rates have operated to the relative disadvantage of Baltimore. It does not appear that any competing community has obtained, or is likely to obtain, any commercial advantage over the business interests of that city. We accordingly find and determine that the charge of unjust discrimination and undue prejudice predicated on the comparison of rate-structures is without substantial support in the record.

The rates under examination are group rates, and they have been in effect without material change for nearly 27 years. During this long period there was no complaint from Baltimore shippers, so far as we are informed, prior to the present proceeding, which followed immediately the discontinuance of the store-door delivery service.

Upon consideration of all the facts of record, we hold that the defendants are warranted in their discontinuance of the free store-door delivery service, and that in other respects the rates complained of are not shown to be unreasonable, unjustly discriminatory, or unduly prejudicial. It follows that the complaint must be dismissed, and it will be so ordered.

Commissioner CLARK took no part in the decision of this case.

No. 6028.

MERCHANTS & MANUFACTURERS ASSOCIATION

v.

CENTRAL RAILROAD COMPANY OF NEW JERSEY ET AL

Submitted April 9, 1914. Decided May 11, 1914.

1. Prayer for through route and joint rates from Jersey City and New York to Baltimore, over a circuitous route through Gettysburg, Pa., denied in view of the existing routes with joint rates by more direct lines.
2. Class rates for the transportation of freight from Brills, N. J., and Philadelphia, Pa., to Baltimore, through Gettysburg, not found to be unreasonable or unjustly discriminatory. Complaint dismissed.

John B. Daish and A. C. Trippe for complainant.

Arthur W. Rinke for Central Railroad Company of New Jersey.

Wm. L. Kinter for Philadelphia & Reading Railway Company.

Wm. A. Parker for Staten Island Rapid Transit Railway Company.

Thos. G. Smiley for Western Maryland Railway Company.

REPORT OF THE COMMISSION.

HARLAN, *Chairman*:

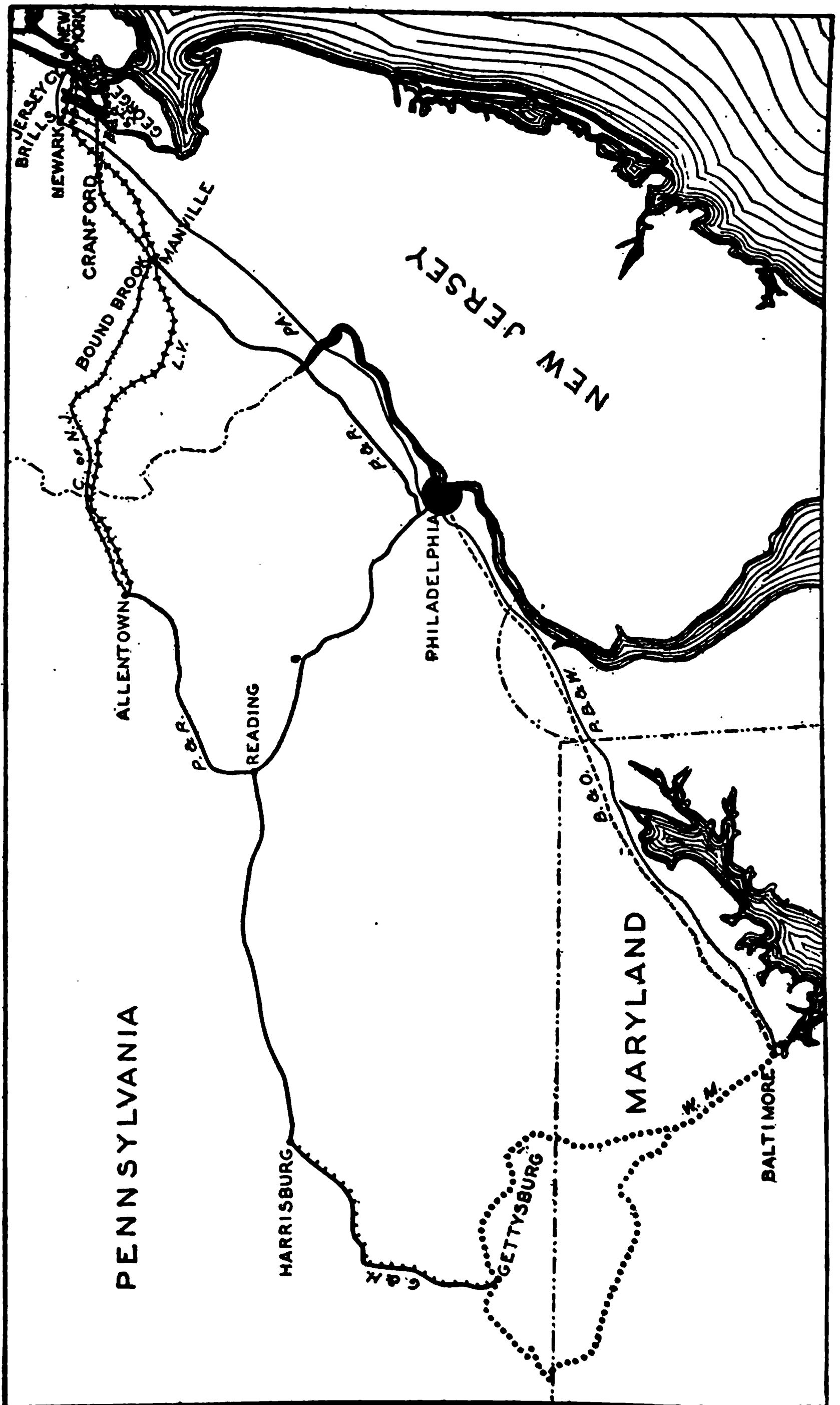
The complainant is an incorporated association with a membership composed of merchants and manufacturers of Baltimore. It demands that the Central Railroad Company of New Jersey and certain other carriers shall establish a through route and joint rates for the transportation of freight from Jersey City and New York to Baltimore, by way of Allentown and Gettysburg, in the state of Pennsylvania. It alleges that the defendants have neglected to establish

such through route and joint rates in disregard of the obligations in that respect imposed by the act to regulate commerce. It alleges also that the joint class rates to Baltimore maintained by the defendants from Philadelphia and from Brills, a point in the state of New Jersey just west of Jersey City, are unreasonable and unjustly discriminatory; and the Commission is asked to establish just, reasonable and nondiscriminatory class rates between those points.

From 1895 to 1905 a through route between New York and Baltimore, with joint rates applicable thereto, substantially as now asked to be established, was maintained by certain of the defendants as follows: New York-Allentown, 90 miles, over the Central Railroad of New Jersey; Allentown-Harrisburg, 90 miles, over the Philadelphia & Reading Railway; Harrisburg-Gettysburg, 46 miles, over the Gettysburg & Harrisburg Railway; and Gettysburg-Baltimore, 71 miles, over the Western Maryland Railway; a total distance of 297 miles.

For the greater part of the time since 1898 there have been in effect through routes by direct lines, with joint rates applicable thereto, between New York and Jersey City on the one hand and Baltimore on the other. Through routes and joint rates are now in effect over the following lines: (1) Philadelphia, Baltimore & Washington Railroad, Baltimore-Philadelphia; and Pennsylvania Railroad, Philadelphia-Jersey City and New York; (2) Baltimore & Ohio Railroad, Baltimore-Philadelphia; Philadelphia & Reading Railway, Philadelphia-Bound Brook, N. J.; Central Railroad of New Jersey, Bound Brook-Cranford, N. J.; and Staten Island Rapid Transit Railway, in connection with Baltimore & Ohio float service, Cranford-New York; (3) Baltimore & Ohio Railroad, Baltimore-Philadelphia; Philadelphia & Reading Railway, Philadelphia-Bound Brook; and Central Railroad of New Jersey, Bound Brook-New York; (4) Baltimore & Ohio Railroad, Baltimore-Philadelphia; Philadelphia & Reading Railway, Philadelphia-Manville, N. J.; and Lehigh Valley Railroad, Manville-New York; and (5) Baltimore & Ohio Railroad, Baltimore-Wilmington, Del.; Philadelphia, Baltimore & Washington Railroad, Wilmington-Philadelphia; and Pennsylvania Railroad, Philadelphia-Jersey City.

These routes vary but slightly in length, and average about 188 miles; the lines over which an additional route is sought are circuitous and the distance is about 110 miles greater. Moreover, the proposed route is not one over which through traffic would be likely to move in any great volume under normal conditions. Generally speaking it would require at least a day longer to move freight under joint rates from New York to Baltimore over such a route than by the direct lines.



The annexed diagram shows the lines of the existing routes, and also the lines of the proposed route through Allentown and Gettysburg. It is to be observed that the Central Railroad of New Jersey, the principal respondent, gets much shorter hauls under the routes to which it is already a party than the haul it would get under the proposed route if established; and if it had not joined in routes and rates over the direct lines, a question might have arisen whether it could be compelled to do so. The statute declares that the Commission shall not require any carrier without its consent to embrace in a through route substantially less than the entire length of its line between the termini of such route, unless to embrace the entire length of its line would make such route "unreasonably long" as compared with some other practicable through route. But the Central of New Jersey, by voluntarily joining in two direct routes, has embraced very much less than the entire length of its line between New York and Baltimore; and in its answer to the complaint, it explains that the reason it does not publish joint rates through Allentown and Gettysburg is because the public interests would not be subserved by such a route. It avers that shippers are best served by joint rates over the direct lines; and it denies that there is any public demand for the additional route demanded by the complainant. Most of the other defendants refer to and adopt the answer of the Central of New Jersey.

The Western Maryland has filed no answer. A witness for that company testified that when the lines through Gettysburg were operated as a through route with joint rates it was customary to give second or third morning delivery on New York traffic at Baltimore, and the same delivery on Philadelphia traffic. He said he knew of no good reason why the old route and joint rates should not be re-established. The direct lines ordinarily make delivery of New York traffic at Baltimore on the first morning after shipment.

The complainant's contention for an additional through route and joint rates is based chiefly upon an alleged lack of facilities for handling package freight through the stations of the Baltimore & Ohio and Pennsylvania lines at Baltimore. It is insisted that if the proposed route and joint rates were established the stations of the Western Maryland at Baltimore would be brought into service and additional terminal facilities would thus be provided. There is nothing of record to show, however, that any considerable volume of freight that now moves over the direct lines would be diverted to such circuitous route.

The complainant's evidence is to the effect that for three or four months following September 1, 1913, there was some congestion of

traffic at the Baltimore & Ohio and Pennsylvania terminals in Baltimore. It seems, however, that the probable cause of this congestion was the withdrawal by those lines on the date named of the so-called store-door delivery service which had theretofore been maintained by them for many years, and which embraced, with a few exceptions, the first three classes of freight. Baltimore merchants, within certain prescribed limits, had become accustomed to have their package freight delivered at their store doors; and the sudden withdrawal of the service naturally produced confusion and resulted in delays which for a few months were of a serious nature. The situation had greatly improved, however, at the time of the hearing of this case, though it was said that deliveries were not yet as promptly made as under the former service. As the merchants are becoming accustomed to the changed conditions, congestion is less marked and delays are less frequent; and there is nothing in the record seriously to suggest that the congestion may not be entirely eliminated within a reasonable time under improved terminal facilities and proper warehousing rules. There is no reason why congestion or confusion should result from deliveries, at adequately equipped stations or warehouses, to drays belonging to or employed by the merchants, any more than from deliveries to drays employed by the railroads.

Whether future congestion would be prevented by an additional route and joint rates over circuitous lines is entirely conjectural. Several witnesses for the complainant expressed the view that the situation would be improved; but the sole basis of that view was that with the new route the terminals of the Western Maryland would be made available for handling freight. It was said that under the former through route and joint rates the Western Maryland for a time carried daily about 50,000 pounds of package freight westbound, and from 20,000 to 30,000 pounds eastbound; but this was at the time of the great Baltimore fire of 1904 when the terminals of the other roads were in disorder. From the evidence of record we are not convinced that an additional route with joint rates over the circuitous lines would insure the handling of any considerable volume of freight through the Western Maryland terminals at Baltimore.

There is a through-car service for merchandise freight from New York to Baltimore over one or more of the direct routes, and the cars move in through trains. It is not seriously contended that such a service could be successfully maintained through Gettysburg, nor does the record suggest that there would be sufficient traffic to justify an effort to that end.

It was testified by the traffic manager of the complainant that this proceeding is the outgrowth of the discontinuance of the store-door delivery. He stated that in the investigation of that matter it was

discovered that a former route through Gettysburg had been closed to traffic from New York, and it was then decided to ask that such route be reestablished. It does not appear that there was any congestion of traffic at the stations in Baltimore prior to September 1, 1913, or that Baltimore merchants were subjected to inconvenience by the closing of the Gettysburg route in 1905.

The Baltimore & Ohio and Pennsylvania roads are responsible for the condition of their terminals at Baltimore, and if their terminals are not sufficient to insure the prompt delivery of traffic they should be made so. It is not contended that the service under the existing through routes and joint rates is otherwise inefficient.

It is well settled that even though through routes and joint rates may exist between two points, this Commission has the authority to establish additional routes and to prescribe just and reasonable joint rates to be applied thereto. But the grant of this authority contemplates the exercise of judgment upon the facts disclosed. The right and duty rest with the Commission to establish or decline to establish additional routes and joint rates as the circumstances and conditions may in its judgment appear to require. *Flour City S. S. Co. v. L. V. R. R. Co.*, 24 I. C. C., 179, 185; *Wichita Falls System Joint Coal Rate case*, 26 I. C. C., 215; *Waverly Oil Works Co. v. P. R. R. Co.*, 28 I. C. C., 621, 629-630; *Truckers Transfer Co. v. C. & W. C. Ry. Co.*, 27 I. C. C., 275, 277; and other similar cases.

Upon the evidence of record, considered in the light of the cited cases, the question is whether the public interests require a through route with joint rates between New York and Baltimore, over the circuitous lines referred to, in addition to the several existing through routes over the direct lines. In our judgment this question must be answered in the negative. The prayer of the complaint in this respect must be denied.

There remains for consideration the allegation that the class rates from Brills and Philadelphia to Baltimore through Gettysburg are unreasonable and unjustly discriminatory. For the several classes these rates are, in cents per 100 pounds, as follows:

From Brills to Baltimore—

Class----	1	2	3	4	5	6
Rate----	34	29	23	18	15	12

From Philadelphia to Baltimore—

Rate-----	27	22	18	13.5	11.5	10
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From Brills the rates are the same as the rates from New York by the direct lines, and these rates are not attacked in this proceeding. The New York rates, together with rates from other eastern points, were involved in *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.*,

ante, page 388. In that case the pleadings and record afforded a broad and comprehensive view of the general rate situation, and we held that the rates from New York to Baltimore were not shown to be unreasonable or unjustly discriminatory. We find nothing in the present record to justify a different conclusion as to the rates from Brills to Baltimore over the circuitous lines.

The class rates between Philadelphia and Baltimore through Gettysburg are somewhat higher than the class rates over the direct lines, but they are not shown to be higher than rates generally in effect for similar distances in other parts of the same territory. On the contrary, they are in some instances lower than the class rates maintained by respondents for similar distances to interior points unaffected by water competition. The distance by the direct lines is 95 miles, whereas the distance through Gettysburg is 229 miles. The record presents no good reason why the circuitous lines should be required, against their consent, to establish and maintain the same rates as the direct lines. The evidence does not show the existing rates to be unreasonable, or that their effect is to subject the complainant's members to unjust discrimination.

It follows from our findings that the complaint must be dismissed, and it will be so ordered.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

Nos. 5777.

LAKE SUPERIOR PAPER COMPANY, LIMITED,

v.

DULUTH, SOUTH SHORE & ATLANTIC RAILWAY COMPANY
ET AL.

No. 5777 (Sub-No. 1).

SAME

v.

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY
COMPANY ET AL.

Submitted October 24, 1913. Decided May 11, 1914.

1. Complainant alleges that the rates on news print paper in carloads from the Soo, Ont., to destinations in Michigan, Ohio, Pennsylvania, Indiana, Illinois, and Missouri are unjust, unreasonable, and unjustly discriminatory; comparisons are made with rates from points in Wisconsin, Minnesota, New York, New Hampshire, Maine, Quebec, and Ontario; *Held*, That the rates from the Soo to the Ohio, Pennsylvania, and Michigan destinations named in the complaint are unjust, unreasonable, and unjustly discriminatory in so far as they exceed those at present prevailing from the Fox River group in Wisconsin; and that the rates to the Illinois destinations and to St. Louis are unreasonable in so far as they exceed by more than 5 cents the rates at present in effect from the Fox River group.
2. The rates from the Soo to Indiana destinations are not out of harmony with those from the Wisconsin groups.
3. No reparation awarded except as to shipments from the Soo to Chicago upon which a charge in excess of 16 cents per 100 pounds was collected.

J. B. Daish for complainant.

W. D. Hurlbut, Francis B. James, and E. E. Williamson for Wisconsin Pulp & Paper Manufacturers.

A. H. Lossow for Minneapolis, St. Paul & Sault Ste. Marie Railway Company.

W. C. Rowley for Michigan Central Railroad Company.

O. W. Dynes, J. N. Davis, and J. G. Love for Chicago, Milwaukee & St. Paul Railway Company.

J. H. Campbell and J. B. Howard for Grand Rapids & Indiana Railway Company; Vandalia Railroad Company; Pennsylvania Railroad Company; Pennsylvania Company; Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company; and Monongahela Railroad Company.

C. C. Wright and *R. H. Widdicombe* for Chicago & North Western Railway Company and Chicago, St. Paul, Minneapolis & Omaha Railway Company.

R. B. Scott for Chicago, Burlington & Quincy Railroad Company.

R. V. Fletcher and *A. P. Humburg* for Illinois Central Railway Company.

W. F. Dickinson and *W. T. Hughes* for Chicago, Rock Island & Pacific Railway Company.

D. P. Connell for New York Central lines.

REPORT OF THE COMMISSION.

MEYER, Commissioner:

These cases involve the rates on news print paper in carloads from Sault Ste. Marie, Ont. (hereinafter referred to as the Soo), to 45 destinations, 13 of which are in Michigan, 15 in Ohio, 1 in Pennsylvania, 12 in Indiana, 3 in Illinois, and 1 in Missouri. The first case involves the rates to points in Michigan, Ohio, Pennsylvania, and Indiana and the second to points in Illinois and Missouri. In both cases the complaint is brought by the Lake Superior Paper Company, which is engaged in the manufacture and sale of news print paper at the Soo. It is alleged that the existing rates on news print paper in carloads from the Soo to the destinations named are unjust, unreasonable, unjustly discriminatory, and unduly preferential in violation of the first three sections of the act to regulate commerce. The Wisconsin Pulp & Paper Manufacturers appear as interveners and join with the carriers in defending the existing rate relationship between their mills and complainant's mill.

The Soo is located on the Canadian side of the St. Marys River, which flows from Lake Superior into Lake Huron. It is served by the Canadian Pacific Railroad, which connects at the Soo, Mich., with the Duluth, South Shore & Atlantic and with the Minneapolis, St. Paul & Sault Ste. Marie. The rates involved in the first case, namely, to destinations in Michigan, Pennsylvania, Ohio, and Indiana, are published by the Duluth, South Shore & Atlantic Railroad, and apply via the route of that carrier and its connections from the Soo through the upper peninsula of Michigan across the straits of Mackinac, and thence via the carriers in central freight association territory. The rates involved in the second case to Illinois destinations and to St. Louis apply via the Duluth, South Shore & Atlantic or the Minneapolis, St. Paul & Sault Ste. Marie and their western trunk line connections through the upper peninsula of Michigan and through Wisconsin into Illinois. The rates to Michigan, Ohio, and Indiana do not apply via the western trunk lines operating through Wisconsin and the rates to Illinois and to St. Louis do not apply via the straits of Mackinac and the central freight association carriers.

In *Rates on News Print Paper from Sault Ste. Marie, Ont.*, 26 I. C. C., 13, we had under consideration substantially the same rates as are attacked in the present proceeding. These rates were published by the carriers serving the Soo soon after the complainant began manufacturing print paper in July, 1912. Upon complainant's protest, we suspended them, pending our investigation as to their reasonableness. To some of the Michigan points and to a few points in Ohio the rates now sought are lower, while to some destinations in Indiana they are a little higher than those asked for in the former proceeding. To all other destinations they are the same. On page 18 of the opinion in the case above referred to, we held:

Upon consideration of all the facts before us in this proceeding, we are of the opinion that the protestant has failed to show that the rates assailed by it are unreasonable or unjustly discriminatory. We are further of the opinion that the respondents have justified the propriety of the rates proposed by the suspended schedules. An order will therefore be entered to vacate and set aside our orders of suspension.

This holding would seem to have settled the question of the reasonableness and justice of the rates which the carriers established. The instant cases, however, arise from the failure of the complainant and defendants to agree upon the action to be taken in compliance with our suggestion that the Soo, Ont., and Petoskey, Cheboygan, and the Soo, Mich., might properly be grouped for rate-making purposes. On page nineteen of the above-cited opinion we said:

* * * It is undoubtedly true that in publishing rates on news print paper from other producing regions the carriers have very generally followed the principle that whenever the distance between certain points constitutes a relatively small percentage of the distance between any of those points and the ultimate market, such originating points should be grouped for rate-making purposes.

At the hearing none of the representatives of the carriers offered any valid reason why a group composed of the Soo, Ont., the Soo, Mich., and Petoskey and Cheboygan, Mich., should not be formed and a definite basis of rates made applicable therefrom. The general freight agent of the Minneapolis, St. Paul & Sault Ste. Marie Railway stated that ordinarily these four points would be placed in the same group. The agent of the western trunk lines testified that he knew of no objection to placing the Soo and Cheboygan under a group similar to groups established elsewhere, while counsel for interveners expressed the opinion that the Soo, Ont.; Petoskey, and Cheboygan properly should be grouped.

We believe that the formation of the four points named into a single group and applying proper rates therefrom will largely obviate the difficulties and the seeming inconsistencies dwelt upon by the protestant with respect to the rates on news print paper from such points.

At the hearing in the present case it developed that no print paper is manufactured at Petoskey or at the Soo, Mich. Complainant contends, however, that the Soo, Ont., should be grouped with Cheboygan in making rates to all of the points named in the two complaints. A comparison of the rates which complainant asks us to establish from the proposed Sault Ste. Marie-Cheboygan group with those at

present in effect from Cheboygan shows that to 23 destinations they are the same, having the effect of pulling the rates from the Soo down to the Cheboygan basis, and to 16 destinations they are slightly higher than the present rates from Cheboygan. To all but three destinations the rates prayed for are from 1 to 3 cents per 100 pounds lower than the rates now in effect from the Soo. The complainant, however, does not confine its case to an argument for the establishment of a group comprising the Soo and Cheboygan. It is stated that should there be any difficulties in grouping Cheboygan with the Soo, the rates which complainant wishes to have established from the latter point can be justified on the basis of the geographical location of complainant's mill alone. Reparation is asked upon shipments which moved since July 1, 1912. From this it will be seen that the present cases cover all of the questions which were presented in *Rates on News Print Paper from Sault Ste. Marie, Ont., supra*, with the additional question of the establishment of the rates prayed for by complainant from the proposed Sault Ste. Marie-Cheboygan group.

In support of the contention that it would be proper to group the Soo, with Cheboygan, in making rates to the destinations herein involved, complainant states that, with the exception of the Soo, it has been the universal practice in making rates on paper to group both the points of origin and the points of destination. The principal competitors of the complainant in the manufacture of news print paper are located in the so-called eastern district, which includes the states of New York, New Hampshire, and Maine, and the provinces of Quebec and Ontario, and in the western district, which includes Wisconsin and Minnesota. The mills in the eastern district are, for rate-making purposes, divided into four groups, and those in the western district into three groups. In some instances mills 170 miles apart are grouped, and complainant argues that since the Soo is but 115 miles beyond Cheboygan, the proposed grouping would be reasonable.

It is stated that in the sale of news print paper competition is keen, and that the freight rate is a factor of vital importance. Witnesses who appeared in complainant's behalf testified that from 70 to 75 per cent of the news print paper which is used in the states of Ohio, Michigan, Indiana, and Illinois, comes from the eastern district, indicating that complainant's competition is strongest with the eastern mills. The daily production of news print paper of the mills in the four groups of the eastern district was said to be approximately 3,200 tons; that of the mills in the western district over 500 tons; and of complainant's mill 200 tons. That of the mill at Cheboygan was given as 65 tons.

It is argued in complainant's behalf that the present rates on news print paper from the Soo, do not properly recognize its geographical location. The complainant filed elaborate exhibits showing distances and rates per 100 pounds and per ton-mile from the groups in the eastern and western districts and the distances and rates now in effect and those proposed by complainant from the Soo, and also the average distances and rates which complainant suggests from the proposed Sault Ste. Marie-Cheboygan group.

These comparisons are summarized in the table below:

	Average distance.	Average rate per 100 pounds.	Average ton-mile revenue.
	<i>Miles.</i>	<i>Cents.</i>	<i>Mills.</i>
To Bay City, Grand Rapids, Lansing, Owosso, Jackson, Battle Creek, Kalamazoo, Flint, Port Huron, and Detroit, Mich., from—			
Sault Ste. Marie (the Soo), Ont.; present rates.....	344	15.1	8.8
Sault Ste. Marie (the Soo), Ont.; rates asked for.....	344	12.9	7.5
Proposed Sault Ste. Marie-Cheboygan group; rates asked for.....	297	12.9	8.7
Cheboygan, Mich.....	251	9.9	8.2
Berlin, N. H., Brunswick, Chisholm, Lisbon Falls, and Rumford Falls, Me.....	913	17.5	8.8
Grand Mere, Schawinigan, Crabtree Mills, and Windsor Mills, Que....	743	18	4.9
Ottawa, Ont.....	569	17.9	6.3
Glens Falls, Chateaugay, Norfolk, Corinth, Carthage, Fort Edward, and other northern New York mills.....	613	16.6	5.4
Merrill, Stevens Point, Grand Rapids, Port Edwards, Menasha, Combined Locks, Wis.....	346	14.7	8.5
Ladysmith, Eau Claire, Park Falls, Rhinelander, Niagara, Wis.....	445	16.7	7.6
To Toledo, Cleveland, Akron, Canton, Columbus, Springfield, Dayton, Cincinnati, Portsmouth, Marietta, and Youngstown, Ohio, and Pittsburgh, Pa., from—			
Sault Ste. Marie (the Soo), Ont.; present rates.....	572	17.7	6.2
Sault Ste. Marie (the Soo), Ont.; rates asked for.....	572	15.7	5.5
Proposed Sault Ste. Marie-Cheboygan group; rates asked for.....	522	15.7	6.0
Cheboygan, Mich.....	471	15.3	6.5
Berlin, N. H., Brunswick, Chisholm, Lisbon Falls, and Rumford Falls, Me.....	917	15.5	3.4
Grand Mere, Schawinigan, Crabtree Mills, and Windsor Mills, Que....	837	16.6	4.0
Ottawa, Ont.....	677	16.3	4.8
Glens Falls, Chateaugay, Norfolk, Corinth, Carthage, Fort Edward, and other northern New York mills.....	607	15.1	5.0
Merrill, Stevens Point, Grand Rapids, Port Edwards, Menasha, Combined Locks, Wis.....	583	16	5.5
Ladysmith, Eau Claire, Park Falls, Rhinelander, Niagara, Wis.....	678	18	5.3
To South Bend, Elkhart, Fort Wayne, Logansport, Kokomo, Muncie, Anderson, Indianapolis, Richmond, Jeffersonville, Vincennes, and Evansville, Ind., from—			
Sault Ste. Marie (the Soo), Ont.; present rates.....	541	16.3	6.0
Sault Ste. Marie (the Soo), Ont.; rates asked for.....	541	15.1	5.6
Proposed Sault Ste. Marie-Cheboygan group; rates asked for.....	513	15.1	6.0
Cheboygan, Mich.....	477	14.3	6.1
Berlin, N. H., Brunswick, Chisholm, Lisbon Falls, and Rumford Falls, Me.....	1,073	18.5	3.5
Grand Mere, Schawinigan, Crabtree Mills, and Windsor Mills, Que....	937	19.5	4.2
Ottawa, Ont.....	767	19.5	5.0
Glens Falls, Chateaugay, Norfolk, Corinth, Carthage, Fort Edward, and other northern New York mills.....	777	17.2	4.4
Merrill, Stevens Point, Grand Rapids, Port Edwards, Menasha, Combined Locks, Wis.....	425	14.3	6.8
Ladysmith, Eau Claire, Park Falls, Rhinelander, Niagara, Wis.....	529	16.3	6.2
To Chicago, Peoria, Springfield, and Cairo, Ill., and St. Louis, Mo., from—			
Sault Ste. Marie (the Soo), Ont.; present rates.....	664	20.5	7.0
Sault Ste. Marie (the Soo), Ont.; rates asked for.....	664	16.6	5.0
Proposed Sault Ste. Marie-Cheboygan group; rates asked for.....	633	16.6	5.2
Cheboygan, Mich.....	606	16	5.3
Berlin, N. H., Brunswick, Chisholm, Lisbon Falls, and Rumford Falls, Me.....	1,256	20.4	3.2
Grand Mere, Schawinigan, Crabtree Mills, and Windsor Mills, Que....	1,102	21.6	3.9
Ottawa, Ont.....	933	21.6	4.6
Glens Falls, Chateaugay, Norfolk, Corinth, Carthage, Fort Edward, and other northern New York mills.....	958	20.4	4.3
Merrill, Stevens Point, Grand Rapids, Port Edwards, Menasha, Combined Locks, Wis.....	426	15.2	7.1
Ladysmith, Eau Claire, Park Falls, Rhinelander, Niagara, Wis.....	496	16.2	6.6

The following generalizations, while illustrated by the averages shown in the table above, are also based upon the more comprehensive comparisons contained in complainant's exhibits. The distances from the Soo to the several destinations involved are in every instance much less than from any of the mills in the eastern district. To Michigan and Ohio destinations the distances from the Soo are less while to Indiana and Illinois destinations they are greater than the average distances from the nearest Wisconsin group. Although the distances from the eastern mills to Ohio destinations, including Pittsburgh, Pa., are greater than those from the Soo, the rates are almost uniformly less. The rates from the Soo to Michigan, Indiana, and Illinois destinations, the latter including St. Louis, Mo., are in no instance higher, and in almost every instance less, than the rates from the eastern groups. When, however, we consider how much greater are the distances to the destinations in Michigan, Indiana, and Illinois from the eastern mills than from the Soo, it becomes evident that the rates from the east are low as compared with those from the Soo. This is also indicated by the comparatively low revenue per ton-mile which the rates from the eastern mills yield.

Coming now to the comparison of the rates from the Soo with those from the Wisconsin mills, it is shown that although the average distance from the nearest Wisconsin group to Ohio destinations is 11 miles greater than that from the Soo, the average rate is 1.7 cents less per 100 pounds. The Wisconsin group just referred to is called the Fox River group and the more distant one is called the Wisconsin River group. To destinations in Michigan there is comparatively little difference in the average distance and the average rate from the Soo and from the Fox River group. To Indiana destinations the distances and the rates from the Wisconsin River group are about the same as from the Soo, while the distances and rates from the Fox River group are less. To Illinois destinations and St. Louis the distances and rates from both Wisconsin groups are considerably less than from the Soo.

It is argued in complainant's behalf that these comparisons of rates from the Soo with rates from points in the eastern and western districts show that the existing rates from the Soo are unjust, unreasonable, and discriminatory. Regarding the reasonableness of the rates, it is urged that news print is a desirable article for transportation; that although the minimum weight is 36,000 pounds, the average loading approximates 50,000 pounds per car; that it does not require any particular equipment or special speed in its movement; that the amount of claims for loss and damage is negligible, and that the daily movement from the mills is regular and uniform.

The complainant calls particular attention to the rate from the Soo to Chicago, which, before September, 1913, was 13 cents per 100 pounds via Mackinaw City and the lines operating east of Lake Michigan. At present no joint rate is published via this route. Defendants allege that the 13-cent rate was published by mistake. Complainant states that the present rate to Chicago via the carriers west of Lake Michigan is 21½ cents per 100 pounds, based upon the combination of the charges for switching to the Soo, Mich., plus the rate of 20 cents per 100 pounds beyond, as published by the Minneapolis, St. Paul & Sault Ste. Marie Railway. At the hearing, however, attention was called to the rate of 16 cents per 100 pounds which applies from the Soo to Chicago, via the lines west of Lake Michigan, and is published by the Duluth, South Shore & Atlantic Railroad. The carriers are willing to refund any payments made by complainant in excess of the 16-cent rate.

As the arguments advanced for the intervenor were to the same effect as those advanced for the defendants, their contentions will be considered together.

It is argued that the Soo should not be grouped with Cheboygan for the purpose of making rates on news print paper to the points in central freight association and western trunk line territories which are herein involved. By referring to the testimony in the original case, *Rates on News Print Paper from Sault Ste. Marie, Ont., supra*, which by stipulation was made a part of the record in the present case, it will be seen that the reference to the proposed grouping was "with respect to western markets" and entirely apart from any consideration of the existing rates from Cheboygan. It is stated by the carriers operating east of Lake Michigan that this clearly shows that the Commission did not intend to suggest a grouping of the Soo with Cheboygan in rates to points in central freight association territory. Carriers west of Lake Michigan argued that our suggestion could only have been made with reference to markets in the far west and not to Illinois destinations and St. Louis.

The following items are given as representing additional costs to the carriers for the transportation of news print paper from the Soo to points in central freight association territory above the costs incurred in the movement from Cheboygan to the same points:

- (1) The switching charge of the Algoma Central & Hudson Bay Railway of 1 cent per 100 pounds for the movement from complainant's plant to the interchange with the Canadian Pacific Railway.
- (2) The switching charge of \$2.50 per car, or one-half cent per 100 pounds on cars loaded with 50,000 pounds for the movement over the bridge between the Soo and St. Mary's Transfer, Mich.
- (3) The cost of the haul of 90 miles from St. Mary's, Mich., to St. Ignace, Mich.
- (4) The cost of ferrying across the Straits of Mackinac from St. Ignace

to Mackinaw, Mich. (5) The cost of hauling the cars from Mackinaw to Cheboygan, a distance of 16 miles.

The route from complainant's mill to Cheboygan is over the lines of five different carriers. It is stated that while the distance between the Soo and Cheboygan does not appear to be great when compared with the distance between the points in other groups taking the same rates, the cost of transporting a carload of paper from the Soo to a point in central freight association territory is much greater than the cost of transporting a similar shipment from Cheboygan, and it is argued that, therefore, the rates from the Soo should be higher than those from Cheboygan. It is further stated that the capacity of the mill at Cheboygan is but 65 tons per day; that the record does not indicate that complainant has ever felt the competition of that mill; and that, therefore, there is no commercial necessity for grouping these two points. It is added that in the case of the Wisconsin groups and the groups in the eastern district there are no peculiar transportation difficulties which apply to some points in these groups and not to others.

With regard to the movement to the Illinois points and to St. Louis, it is stated that Cheboygan and the Soo should not be grouped for the reason that the lines initial at the Soo are not the initial lines at Cheboygan, and because shipments of news print paper from the Soo move via the carriers west of Lake Michigan, through the upper peninsula of Michigan and western trunk line territory, while shipments from Cheboygan move via the carriers east of Lake Michigan through the southern peninsula of Michigan and through central freight association territory. A movement from Cheboygan via the Straits of Mackinac and the western carriers, it is stated, would entail much greater costs than the present movement via the carriers in central freight association territory.

Regarding the reasonableness of the present rates on news print paper from the Soo, it is argued that complainant's contentions are based in the main upon comparisons of these rates with rates from the eastern mills. Defendants contend these comparisons are not proper in that the rates from the eastern mills are highly competitive and have been forced down to their present low level by the differential lines, the Grand Trunk and its connections. Defendants further state that in this case they do not in any manner control the rates from the eastern mills.

It is also stated that even if the same carriers initiated the shipments at the eastern mills and at the Soo, a comparison of the rates from the Soo with those from the east would disclose no unjust discrimination or undue preference because of the dissimilarity of the circumstances and conditions surrounding the transportation from the two districts to the points herein involved. Upon this

point much testimony was introduced by the intervener. It appears that during the year ending June 30, 1912, the density of traffic of the lines which serve the Soo and extend through the southern peninsula of Michigan was much less than that of the lines which serve the eastern mills and of those which serve the Wisconsin mills. For the purpose of showing the greater cost of the movement from the Soo as compared with the movement from the eastern mills, the intervener introduced elaborate exhibits giving comparisons of the average expense, rate and receipts per revenue ton-mile, and the average expense and revenue per freight-train mile for the roads serving the eastern mills to the destinations involved and those serving the Soo. :

Attention is called to our opinion in the former proceeding, where, on page 17, after referring to the comparison which complainant makes between the rates from the Soo and the rates from the eastern groups, we said:

Such a showing, however, is not in itself proof that the proposed rates are unreasonable or unjustly discriminatory. The carriers responsible for the adjustment from the eastern producing points were not before the Commission in this proceeding and the record contains no evidence showing the circumstances and conditions surrounding the transportation from such points.

It is submitted by the intervener and the carriers that the complainant has in the instant case offered no additional evidence which would justify a reduction in the present rates.

With regard to the reasonableness of the present rates from the Soo via the lines west of Lake Michigan to Illinois destinations and to St. Louis it is contended that the present adjustment of 6 cents over the rates from the Fox River group is correct. The following comparison of distances and rates from the Fox River group and from the Soo to Illinois destinations and to St. Louis was made by the intervener:

	Distance.	Rate per 100 pounds.
	<i>Miles.</i>	<i>Cents.</i>
To Chicago, Ill., from—		
Sault Ste. Marie, Ont.....	478	16
Fox River group.....	234	10
Difference.....	243	6
To Bloomington, Ill., from—		
Sault Ste. Marie, Ont.....	610	22
Fox River group.....	368	16
Difference.....	242	6
To Decatur, Ill., from—		
Sault Ste. Marie, Ont.....	656	22
Fox River group.....	413	16
Difference.....	243	6
To St. Louis, Mo., from—		
Sault Ste. Marie, Ont.....	767	22
Fox River group.....	518	16
Difference.....	249	6

It is argued that if 10 cents per 100 pounds on news print paper is a just and reasonable rate from the Fox River group to Chicago for an average distance of 234 miles, by comparison a 16-cent rate on news print paper in carloads is a just and reasonable rate from the Soo to Chicago, the distance from the Soo to Chicago being 483 miles as against a distance of 234 miles from the Fox River group to Chicago. A like argument is made with regard to the other points named in the table above. Attention is also called to our decision in the former proceeding, where we approved a rate of 6 cents above the Fox River basis from the Soo to the Missouri River, and it is argued that since this is a reasonable differential to the Missouri River it must of necessity be a reasonable differential to Chicago and to the Illinois points in controversy.

A careful consideration of the testimony and arguments presented by both sides leads to the conclusion that to some of the destinations involved a reduction should be made from the Soo while to others the present rates would seem to be upon a correct basis. In comparing the rates from the eastern mills with those from the Soo due allowance should be made for differences in the conditions and circumstances surrounding the transportation. It would appear, however, that the rates from the Wisconsin mills can properly be used as a basis for comparison. The average unweighted distance from the Fox River group to the typical Ohio destinations shown in complainant's exhibits is 583 miles and the average rate 16 cents per 100 pounds, which would yield a per-ton-mile revenue of 5.5 mills. This rate permits competition from the Fox River group mills upon approximately a rate equality with the eastern mills. The average rate from the Berlin, N. H., group to Ohio destinations is given as 15.5 cents per 100 pounds, from the Grand Mere, Que., group 16.6 cents, from Ottawa, Ont., 16.3 cents, and from the Glen Falls, N. Y., group 15.1 cents. The average distance from the Soo to the Ohio destinations is given as 572 miles, and the average rate as 17.7 cents per 100 pounds, which will yield a per-ton-mile revenue of 6.2 mills. The rates prevailing from the Soo do not permit competition at Ohio points upon a basis of rate equality with the eastern mills or with the Fox River group of mills in Wisconsin. It is our opinion that the rates from the Soo to the Ohio destinations are unjust, unreasonable, and discriminatory in so far as they exceed those at present prevailing from the Fox River group.

To most of the Michigan destinations the rates from the Soo are the same as those from Fox River mills. To a few Michigan destinations the rates from the Soo are 1 cent higher than those from the Fox River mills. We believe that these rates should also be reduced to the Fox River basis. The average distance to Michigan

destinations is given by complainant as 344 miles, and the average rate 15.1 cents per 100 pounds, which yields a per-ton-mile revenue of 8.9 mills; the average distance from the Fox River group is given as 346 miles, and the average rate 14.7 cents per 100 pounds, which yields a per-ton-mile revenue of 8.5 mills.

To Indiana destinations the Soo has been placed upon a basis of rate equality with the Wisconsin River group. The average distance from the Soo to Indiana destinations is given as 541 miles, and the average rate 16.3 cents per 100 pounds, yielding a per-ton-mile revenue of 6.1 mills. The average distance from the Wisconsin River group is given as 529 miles, the rate 16.3 cents per 100 pounds, and the per-ton-mile revenue 6.3 mills. The rates from the Soo and the Wisconsin River mills are almost uniformly 2 cents higher than those from the Fox River group, from which the average distance to Indiana points is 425 miles, the average rate 14.3 cents per 100 pounds, yielding a per-ton-mile revenue of 7.3 mills. In our opinion the rates from the Soo to Indiana destinations are not out of harmony with those from the Wisconsin groups. The rates from the Soo and both Wisconsin groups are lower than those from the eastern mills.

With respect to rates from the Soo to destinations in Illinois and to St. Louis we find that those at present in effect are unjust, unreasonable, and discriminatory in so far as they exceed by more than 5 cents the rates at present in effect from the Fox River group. The rates to Chicago as shown in the table below can be taken as typical of the rate relationship between the Soo and points in Wisconsin and Minnesota:

To Chicago, Ill., from—	Distance.	Rate.
	Miles.	Cents.
Sault Ste. Marie, Ont.....	475	16
Fox River group.....	243	10
Wisconsin River group.....	332	12
Little Falls, Minn.....	501	15
Cloquet, Minn.....	531	15
Grand Rapids, Minn.....	642	15
International Falls, Minn.....	729	16

It will be observed that the average distance from the Wisconsin River group to Chicago is 89 miles in excess of the average distance from the Fox River group, and that the rate is 2 cents per 100 pounds higher. The distance to Chicago from Little Falls, Minn., is 258 miles in excess of the distance from the Fox River group, from Cloquet, Minn., 288 miles, and from Grand Rapids, Minn., 399 miles in excess of the average distance from the Fox River group. The rates to Chicago; however, from these three points are only 5 cents over those from the Fox River group, while the rate from the Soo, for a distance 232 miles in excess of the average distance from the Fox River group, and is 6 cents over the rate from the Fox River group.

In *Rates on News Print Paper from Sault Ste. Marie, supra*, we had under consideration, besides the rates involved in the present proceeding, rates from the Soo to Missouri River points. These rates as proposed in the tariff under suspension in that proceeding were 6 cents over the rates in effect from the Fox River group and were in each instance, with the exception of the rate to Omaha, Nebr., reductions from the rates formerly in effect. The rates which the protestant sought to have established from the Soo to these western points were $1\frac{1}{2}$ cents over the rates from the Fox River group. We held that the evidence presented failed to sustain the protestant's plea for lower rates to western points than those proposed by the respondent. In view of the fact, however, that in the present proceeding we have found a differential not exceeding 5 cents to be reasonable in the rates from the Soo over those from the Fox River group to Illinois destinations and to St. Louis, we suggest that the differential should not exceed 4 cents per 100 pounds in rates to the more distant Missouri River points.

An order will be entered requiring the defendants to revise their rates from the Soo, Ont., in accordance with these determinations. No reparation will be awarded with the exception that defendants will be expected to refund all payments made by the complainant in excess of 16 cents per 100 pounds upon shipments of news print paper which moved from the Soo to Chicago since July 1, 1912.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 3218.
WICKWIRE STEEL COMPANY ET AL.
v.
NEW YORK CENTRAL & HUDSON RIVER RAILROAD COM-
PANY ET AL.

Submitted January 9, 1914. Decided May 5, 1914.

1. No reason has been shown why the Commission should depart from its original finding in *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.*, 27 I. C. C., 168, that the rate of \$1.85 per ton for the transportation of coke from the Connells-ville region to Buffalo, N. Y., is a reasonable one.
2. An issue of discrimination in the sense of preference and prejudice under section 3 of the act can be considered in a proceeding relating to a rate increased since January 1, 1910. While in the case of the increased rate the issue as to whether it is just and reasonable is one unavoidably a part of the case, it is not necessarily the sole issue. The fact that the increased rate eliminates a discrimination should be given some weight in determining its propriety.
3. The Commission in its original decision did not base its conclusion on evidence introduced in the other coke cases, but merely used the rates found in the other cases to be reasonable as a measure of the reasonableness of the rate in the *Wickwire case*. Such a reference to the conclusions in other cases is entirely proper.

Robert C. Palmer for Wickwire Steel Company.

Robert F. Schelling for Buffalo Union Furnace Company.

Daniel J. Kenefick for Tonawanda Iron & Steel Company.

George P. Keating for New York State Steel Company.

Louis L. Babcock and *John Henry Hammond* for Lackawanna Steel Company.

William A. Glasgow, jr., for complainants.

George Stuart Patterson, O. E. Butterfield, William Ainsworth Parker,
and *Harris, Havens, Beach & Harris* for defendants.

REPORT OF THE COMMISSION UPON REHEARING.

MEYER, Commissioner:

This proceeding is a reopening of a case decided by the Commission on May 29, 1913, *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.*, 27 I. C. C., 168, which concerned the rate on coke from the Connells-ville region to the blast furnaces and steel mills in and about the city of Buffalo, N. Y.

Prior to April 1, 1910, the rate from the Connellsville region to Buffalo was \$1.65 per ton. On that date the rate was increased to

\$1.85. The complainants filed a complaint attacking the increased rate as unjust and unreasonable in and of itself, and also on the ground that in comparison with the rates enjoyed by complainants' competitors, located in the Pittsburgh and Gary districts and eastern Pennsylvania, it was unjustly discriminatory. Complainants also appealed to the courts for an injunction restraining the defendants from putting the increased rate into effect, but this proceeding was unsuccessful. After the amendment to the act to regulate commerce, effective June 18, 1910, they applied to the Commission to suspend the rate, but this petition was denied on the ground that the rate had already gone into effect. The case then proceeded on the petition above described.

The hearings in the original case were held at Buffalo, N. Y., on October 24, 1910, and April 10, 1911. It was argued November 2, 1911. Before the Commission could dispose of the issues presented a number of complaints involving the rates on coke from the Connellsville region to Buffalo and various other coke consuming points were filed. These cases were Docket No. 3854, *Coke Producers' Asso., of Connellsville, v. B. & O. R. R. Co.*, 27 I. C. C., 125; No. 4650, *Pittsburgh Steel Co. v. L. S. & M. S. R. Co.*, 27 I. C. C., 173; No. 4607, *Youngstown Sheet & Tube Co. v. P. & L. E. R. R. Co.*, 27 I. C. C., 165; No. 4449, *Wisconsin Steel Co. v. P. & L. E. R. R. Co.*, 27 I. C. C., 152; No. 4449 (Sub-No. 1), *Same v. Pennsylvania R. R. Co.*, 27 Ib., 152; and No. 4449 (Sub-No. 2), *Inland Steel Co. v. P. & L. E. R. R. Co.*, 27 Ib., 152.

Hearings were held in these cases as follows: No. 3854, at Washington, D. C., December 18-21, 1911, March 18-21, 1912, April 30-May 3, 1912, May 27-30, 1912; No. 4650, at Washington, April 22-24, 1912, May 20-22, 1912, and November 18, 1912; No. 4607, at Washington, May 27-28, 1912, June 4-6, 1912, and at New York City on June 29, 1912; No. 4449 and Sub-Nos. 1 and 2 at Washington, December 18-21, 1911, and March 18-21, 1912.

Arguments were had on the following dates: No. 4650, March 15, 1913; No. 4607, November 25, 1912; No. 4449, and Sub-Nos. 1 and 2, November 25, 1912, and No. 3854, on November 25, 1912.

While the latter group of cases was pending, counsel for complainants in the *Wickwire* case was advised that the Commission was delaying action in that case because of its connection with these other rate cases. It appeared to the Commission that if it should establish the rates on coke from Connellsville to Buffalo in advance of a decision in the other coke cases it would virtually decide the latter, because the rate from Connellsville to Buffalo is one rate in a system of related rates. It did not appear wise and just to the Commission to permit the individual Connellsville-Buffalo rate practically to

determine all the related rates. When counsel for complainants was advised of this situation, he expressed the desire that his case be determined without reference to the other cases, in the view that the method of procedure contemplated by the Commission might deprive his clients of the kind of hearing which is guaranteed under the act. It may be noted in this connection that although it would seem that complainants had full knowledge of the other coke rate cases and of their relation to the Buffalo case, no effort was made by them at any time formally to intervene or in any other manner to participate in the proceedings.

The Commission considered the related coke cases with the greatest care in all their details, and as a result the rate of \$1.85 to Buffalo was declared not to be unreasonable.

Following the decisions in these cases counsel for complainants in the *Wickwire* case petitioned for a rehearing. This petition specified a number of alleged errors in the Commission's decision of May 29 and asked that the case be reopened for further evidence or for a rehearing. As shown by the petition filed, apparently complainants desired to submit evidence as to the effect of the increased rate of \$1.85 upon the pig-iron industry at Buffalo, as to the cost of manufacture as compared with their competitors, and as to the opportunity of remaining in markets which they had hitherto been able to reach in competition with other pig-iron producers; and, secondly, evidence in rebuttal of the Commission's conclusion that the rate of \$1.85 was a proper one in relation to the other rates from the Connellsville region. Feeling that the Commission should have the benefit of whatever criticism, additional testimony, and argument the counsel in the *Wickwire* case might offer with reference to its decision, the petition for rehearing was granted.

The case was set for rehearing at Buffalo on November 19, 1913, before a member of the Commission. Some time prior to the date of the hearing, however, counsel for complainants advised the Commission that he and his associates had examined the record in the case, and that they had come to the conclusion that there was no evidence which they desired to offer at the proposed hearing, and consequently desired to have the *Wickwire* case reassigned for argument without further testimony, and for the filing of briefs. This course was assented to by counsel for defendants and the Commission, and the case was eventually reargued on January 9, 1914.

It appeared from the briefs and the argument that complainants' counsel had decided, first, that the suggested evidence as to the cost of production was not relevant, and that in general they felt content to have the question whether the carriers had sustained the burden of proof determined, so far as the evidence was concerned, upon the

original record. Complainants' present position is in short that there was no proof in the original proceeding upon which a decision in favor of the carriers could be sustained; that the proof offered by the defendants did not sustain the burden imposed upon them by the amendment of 1910 of justifying the increased rate; and that the Commission in deciding that the increase of the rate was justified went outside of the record in violation of the complainants' rights.

That portion of the Commission's report to which complainants' allegations of error are now principally directed is the concluding paragraph, which reads as follows:

The adjustment made by the carriers tends to lessen the discrimination against eastern Pennsylvania furnaces. Furthermore, the rate to Buffalo is one rate in a large rate structure which embraces the great industrial territory in the United States. We can not, in fairness to other localities, isolate this rate and ignore all others. It yields a revenue of 5.44 mills per ton per mile. This is somewhat higher per ton per mile than the rate to Chicago, for instance, but considerably lower per ton per mile than the rate to numerous other points. The rate of \$1.85 fits into the coke-rate map as reconstructed by us in a group of cases, of which this is one, and all of which must be considered together. We have given most careful consideration to all the aspects of the question before us, and we are constrained to hold that the rate under attack is not unreasonable. The complaint must be dismissed.

The decision, it will be observed, rests on two grounds which in general are of the same nature, namely, a comparison of rates; that is, a comparison of the rate in controversy, the Buffalo rate of \$1.85, first, with the rates from the Connellsville region to the eastern Pennsylvania furnaces, and, secondly, with the rates to other coke consuming points which use Connellsville coke. Complainants admit, as a general proposition, that rates may properly be judged by comparison with other rates, but contend that the comparisons in the present case were improper for reasons which now will be discussed.

It was stated in the decision that in comparing the controverted rate with the rate to eastern Pennsylvania furnaces the adjustment made by the carriers in establishing the \$1.85 rate tended to lessen the discrimination against eastern Pennsylvania furnaces that existed under the old rate structure. Earlier in the report reference was made to testimony for the defendants that the rate was advanced from \$1.65 to \$1.85 because the \$1.65 rate for the haul to Buffalo compared with the rates from the Connellsville region to various eastern Pennsylvania furnaces had seemed to be unreasonably low and had consequently led to a vigorous protest from the Eastern Pig Iron Association; and that it was to meet this protest and to put the rate to Buffalo on the same relative basis that the increase had been made, the allegation being, however, that, even with the increase, the Buffalo rate was still on a substantially lower basis than the other rates mentioned.

Complainants now contend that such evidence offered by the carriers could not justify the increase, and moreover that such an issue, discrimination, was one which could not and should not have been considered in such a proceeding as the *Wickwire case*. They take the same position regarding the Commission's consideration of the relation of the Buffalo rate to the other coke rates, describing this as an effort, improper in such a proceeding, to adjust the differentials between the various consuming points. The following discussion will have reference principally to the objection that the issue of discrimination can not be considered.

While pointing out that the rate in this case was not actually suspended, their protest having been made after it had become effective, complainants argue that the case is in principle the same as one under section 15 of the act, relating to a suspended schedule proposing an increase of rates, and that as the rate was increased subsequent to January 1, 1910, the burden of proof is upon the carriers. There can be no difference of opinion regarding this proposition as to the burden of proof. Complainants argue further that in such a proceeding the act itself fixes the issue, and that this issue is *solely* whether the increased rate is just and reasonable; that is, it is an issue under section 1 of the act, and the Commission may not consider an issue of discrimination or the matter of differentials. This contention is rested on the concluding portion of the second paragraph of section 15, which reads as follows:

At any hearing involving a rate increased after January 1, 1910, or of a rate sought to be increased after the passage of this act, the burden of proof to show that the increased or proposed increased rate is just and reasonable shall be upon the common carrier, and the Commission shall give to the hearing and decision of such questions preference over all other questions pending before it and decide the same as speedily as possible.

The foregoing is the proposition as argued by complainants' counsel at the reargument. In complainants' opening brief it appears in a somewhat modified form to the effect that an increased rate can not be justified on the theory of "equalization" of rates to competing points nor to avoid a violation of section 4 of the act. In support of the contentions thus made the Commission is cited in three cases, *In the Matter of Advances in Rates for the Transportation of Coal by the Chesapeake & Ohio and Others*, 22 I. C. C., 604, 612; *Coal Rates to Davenport, Iowa*, 26 I. C. C., 140, and *California-Nevada Lumber Rates*, 28 I. C. C., 313.

With the contention that an issue of discrimination in the sense of preference and prejudice under section 3 of the act can not be considered in a proceeding relating to a rate increased since 1910 we are unable to agree. Considering that portion of section 15 relating to

new schedules, which, as already indicated, was invoked by complainants in argument, it will be noticed that the act provides:

Whenever there shall be filed with the Commission any schedule stating a new individual or joint rate, fare * * * the Commission shall have, and is hereby given authority, either upon complaint or upon its own initiative without complaint * * * to enter upon a hearing *concerning the propriety of such rate, fare, charge, etc.* * * *

Surely such a term as "propriety" does not limit the Commission to considering only the reasonableness of the rate without reference to other considerations entering into its propriety. This term seems comprehensive enough to cover all the considerations entering into a rate, such as its reasonableness *per se*, its relative reasonableness, or its preferential or prejudicial character. Complainants' attempted limitation of the meaning of the act is rested on the provision as to burden of proof quoted above, which follows the portion of section 15 last quoted. This provision would seem to mean, both from its language and from its position in the paragraph, simply that when the new rate is an increased rate, as to one issue only, namely, whether it is just or reasonable, the burden of proof shall be on the carrier. While it may be conceded that when the rate is an increased rate this particular issue is one necessarily and unavoidably a part of the case, it does not follow that it must be the sole issue. Even though the Commission in the case of an increased rate always is to consider whether it is just and reasonable, it is not precluded from considering the rate from other viewpoints, such as that of its preferential or discriminatory character. In view of the general import of the language of the paragraph taken as a whole, to argue the contrary would seem to be to torture the plain meaning of the act into a restricted sense in nowise necessarily inferable from its terms.

Passing to the practice under this section, it is the fact that it is the Commission's custom to suspend new rates when it appears from protest or check of the tariffs that they will create unlawful discrimination. Many tariffs have been suspended solely for this reason. Some tariffs providing for reduced rates to many points and not publishing a single increased rate have been suspended solely upon the ground of discrimination. Moreover, the Commission has in investigation and suspension proceedings decreed the cancellation of suspended tariffs because the rates proposed therein were found to create unjust discriminations. *In the Matter of Advances in Charges for Switching Ice at Chicago*, 24 I. C. C., 660. Surely it is also open to the Commission to consider as a part of the test of the propriety of the new rate the circumstance that it will eliminate a discrimination existing under the adjustment which it is to supersede. This is not to say that the consideration as to whether the new rate

effects or eliminates a discrimination can be urged in sole justification of the rate. A new increased rate might eliminate discrimination and yet be condemned for being unreasonably high. The fact, however, that it does eliminate discrimination should be given some weight in determining its propriety.

It may be remarked that while in view of its peculiar circumstances we have been satisfied to discuss the instant case on the general principles applicable to suspended schedules proposing increases in rates, it is not in reality just such a case. As stated above, the increased rate had gone into effect and was subsequently attacked upon complaint by petitioners herein, which as well as the act, must be considered to fix the issues. This complaint itself raised several issues of discrimination; one, that the \$1.85 rate was discriminatory as compared with the rates enjoyed by complainants' competitors in the Gary and Pittsburgh districts; and the other, that it was discriminatory as compared with the rate to eastern Pennsylvania furnaces. This latter is both in fact and as a matter of law the very issue of discrimination which complainants now protest should not have been considered, except that complainants' original petition asserted that the \$1.85 rate created or perpetuated the discrimination rather than eliminated it. With this allegation in their complaint it is difficult to discover a basis for complainants' assertion that the issue of discrimination was not in the case, and that the evidence which indicated that the discrimination lay the other way was not relevant.

We do not believe that the cases cited by complainants' counsel are inconsistent either with the Commission's practice or the interpretation of the law stated above. We are of opinion that the extracts from the decisions quoted by counsel, when considered in connection with the peculiar facts in the cases in which the statements were made, do not enunciate general principles prohibiting the consideration of the Buffalo and eastern Pennsylvania adjustment or the relation of the Buffalo rate to the other coke rates. *In the Matter of Advances in Rates for the Transportation of Coal by the Chesapeake & Ohio and Others, supra*, was a case in which the Norfolk & Western, the road which made a defense, and the protestants submitted elaborate compilations of data upon earnings and costs to measure the inherent reasonableness of the rates from the West Virginia coal fields there in question. The defense of the Norfolk & Western was rested upon this consideration and disclaimed any intention to justify the West Virginia rates upon the theory of their relation to the rates from the Pittsburgh fields. This circumstance should be borne in mind in the consideration of expressions in the opinion as to the irrelevancy of the motives which led to the making of the increased rates and the policy they were designed to effect. Note should also

be taken of the following statement in the opinion which is made at the conclusion of that portion, dealing with the irrelevancy of the adjustment between the Pittsburgh and the West Virginia fields, now relied upon by complainants' counsel in support of the proposition that only the justness and the reasonableness of the rates themselves are to be considered:

In saying this, however, regard must be had for those provisions of the law which expressly declare certain fundamental policies of regulation. There may not be discrimination between localities, it is said in section 3; and in section 4 this principle is extended so as to prohibit the farther point being given an undue advantage over that which is nearer the point of origin.

The "equalization" discussed in the Chesapeake & Ohio case was one between two different coal fields served by different groups of lines, which is a very different proposition from the discrimination discussed in the instant case predicated upon the maintenance of a different basis of rates by one road or set of roads serving two competing points. The latter is a case which falls within section 3; the former is one which obviously does not. In *Coal Rates to Davenport, Iowa*, 26 I. C. C., 140, the ground in brief for holding that the proposed increase of rate was not justified was that the comparison of rates adduced by the carriers did not show that the proposed rate was reasonable. Rates selected from this comparison showed that on the consideration of distance the proposed rate was too high. As to the statement in the opinion, now relied upon by counsel, that "we can not in such a proceeding as this undertake to adjust relative rates from different groups," there is nowhere in the opinion any suggestion that the Commission felt constrained not to undertake the adjustment mentioned because the act prohibited such a course. A variety of reasons may be suggested for the stated impracticability of then considering this adjustment; for example, that all the rates at the time of the decision were not before the Commission; that the problem of the adjustment had been raised in an independent proceeding then pending, which under the circumstances promised the most convenient means of adjudicating it. Such considerations, whether as a matter of practice consistent or inconsistent with the course of procedure in the *Wickwire* and related cases, have in them nothing of the nature of a general rule which might be invoked in alleged similar cases. In *California-Nevada Lumber Rates*, 28 I. C. C., 313, the opening portion of the opinion reads:

These class rates (the proposed rates) amount to \$5.40 per ton and are so high that no contention is made that they should be regarded as reasonable.

This statement alone is sufficient to distinguish that case from the instant case. Under this conclusion that the proposed rates were unreasonably high, manifestly the fact that they had been published

to remove a rate factor indicating a violation of the fourth section could not be accepted as a justification for the change.

It may be said in general that the error of counsel in the citation of these cases seems to be in taking statements as to the inadequacy or irrelevancy in particular cases of certain matters of defense there urged and concluding therefrom that such matters should be given no weight whatever in any proceeding irrespective of the course or weight of all the proof.

We are of opinion, therefore, that it was with entire propriety that our decision as to the justification of the proposed increase was rested in part on the consideration that the increased rate rather than the rate which it superseded appeared to be on the proper relative basis when compared with the rates to eastern Pennsylvania furnaces and consequently eliminated a discrimination which inhered in the old Buffalo rate. This conclusion was checked and confirmed by the further conclusion, upon which the decision mainly rests, that the increased Buffalo rate seemed to be just and reasonable when compared with the rates to other coke-consuming points considered by us in the related coke cases. This latter comparison appears to be the "adjusting of differentials" criticized by complainants. It would seem, however, that it is in essence simply a determination of the reasonableness of the various rates in question by comparison with the other related rates. That such a method may be employed in any proceeding before the Commission regarding the reasonableness of a rate can not be validly questioned.

Complainants argue, however, that this particular comparison was inadequate to sustain the burden of proof resting on the defendants or to support the Commission's findings as to the reasonableness of the increased Buffalo rate for the reason that such comparison can be made only upon evidence and proof of a similarity of transportation conditions. They say that there was no such evidence of similarity in the record and now aver in argument that the conditions were quite dissimilar. They point to the rates to Toledo and to Reading, where the distances are similar to the Buffalo distance and the rates are the same. In the case of Toledo they aver that there is practically no coke traffic while the traffic to Buffalo is very heavy, and argue that this difference in the density of the traffic should have been taken into consideration in fixing the rates. In the case of Reading they argue that there is a manifest difference in transportation conditions in that the haul from the Connellsville region to Reading is over the Allegheny Mountains, while to Buffalo it is at water level all the way.

The proposition to which counsel's argument tends, that no comparison of rates is ever justified except upon the actual submission of

evidence of similarity of the various circumstances and conditions of transportation, would seem to be a somewhat extreme one. It is well known that rates have been frequently justified or condemned by this Commission upon records containing little else than mere rate and distance comparisons; under the condition, however, of a known general similarity of conditions, as for example where the movements compared are of the same commodity in the same territory. Granting, however, that there is some dissimilarity of conditions in the various movements involved in this and in the other related coke cases and that the differences now remarked by counsel are of a kind to influence the amount of the rates in question, we may say that, without attempting to assign the precise weight which should be given to these differences, we feel confident that they do not sustain a valid criticism of the Buffalo rate, which we have approved. The rate of \$1.85 to Buffalo is not only not unreasonably high, but on the contrary is low when compared with the present rates to eastern Pennsylvania furnaces. It is also low as compared with the other rates determined to be reasonable by this Commission in the related coke-rate cases. A recent examination of the comparison has served only to strengthen this conclusion. Measurement of these rates by an arbitrary measuring rate computed from the rates themselves shows that the Buffalo rate, even using the distance of 314 miles urged by complainants, is still somewhat out of line with the other rates and might, if established solely upon the distance basis, which we do not suggest, be put as high as \$1.94 rather than \$1.85.

This leaves for consideration complainants' contention that in justifying the increased rate the Commission must have gone, and in fact, did go, outside of the record in the instant case to support its conclusion, and that in so doing it deprived complainants of the hearing guaranteed them by the act. In support of their asserted rights in this regard counsel cite *Interstate Commerce Commission v. L. & N. R. R. Co.*, 227 U. S., 88, which holds that the statute gives parties a right to a full hearing and imposes upon the Commission the duty of deciding in accordance with the facts proved and holds, moreover, that information gathered by the Commission in the exercise of its jurisdiction conferred by section 12 of the act is not available where the party is entitled to a hearing. A brief answer to complainants' contention is that they were accorded a full hearing, that the Commission has decided in accordance with the facts proved and that it did not base its conclusion in the instant case on evidence introduced in the other coke-rate cases. As has already appeared in the foregoing portion of this report, what the Commission did was simply to refer to its conclusions in those other cases, or, in other words, it used the rates there found to be reasonable after extensive

examination and most careful consideration as a measure of the reasonableness of the rate in the *Wickwire case*. This is quite in accord with our ordinary practice as shown for example in *Rates for the Transportation of Cooperage From Salt Lake City*, 24 I. C. C., 656, 659. To contend that the Commission could make no such comparison and that in deciding the *Wickwire case* or any particular case of the group it was compelled to shut its eyes to all the other cases or to divide its mind into separate compartments and to consider each one without any reference whatsoever to the other, and this in the face of their unavoidably necessary relation, is a proposition which can not be seriously advanced.

A dictum in *United States v. B. & O. S. W. Ry. Co.*, 226 U. S., 14, 20, refers to this right of the Commission, to take notice of the results reached by it in other cases. The dictum, however, stipulates as a condition of this right that the facts thus noticed should be specified in the record, so that matters of law may be saved. This dictum is cited by complainants in their opening brief with the observation that in the present case nothing has been made to appear in the record as to the results reached in other cases and that a court would not be enabled to review the decision of the Commission in this regard. It is true that the Commission's decision does not specify with particularity the rates in the other coke-rate cases used as the standard of comparison. The Commission probably was betrayed into a lack of formality in this regard because of its consciousness of the familiarity both of the defendants and the complainants with the other cases which it had in mind. It assumed that both would quite clearly understand the reference to the other cases and would have easy access to the cited comparison. If the reference was, however, as a matter of record, too indefinite, it has now been corrected by the enumeration of the other cases in the preceding portion of this report and further cause of complaint in this regard would seem to disappear.

In conclusion we are of opinion that for the reasons indicated above complainants' allegations of error in the original decision in this case have not been sustained. Since no new evidence has been offered we can see no reason to depart from our original finding that the reasonableness of the rate of \$1.85 to Buffalo had been established. It follows that the complaint must be dismissed and it will be so ordered.

INVESTIGATION AND SUSPENSION DOCKET No. 339.
CEMENT RATES FROM MASON CITY, IOWA.

Submitted February 28, 1914. Decided May 4, 1914.

The Chicago, Milwaukee & St. Paul Railway Company and the Northern Pacific Railway Company had established joint through rates on cement from Mason City, Iowa, to certain terminal points in Minnesota and North Dakota, which through rates had no intermediate application. The former carrier published a supplement to its tariff by which it apparently unintentionally gave intermediate application to the low terminal rates. This effect of the supplement being discovered, both carriers filed tariffs canceling the joint through rates to most of the points in question. These latter tariffs having the effect of advancing the rates above the level established by the supplement, protestants objected to the filing of the tariffs canceling the joint through rates; *Held*, That the equities of the situation demand a resumption of the status quo as it was under the old rates and a hearing upon the reasonableness of those rates.

F. S. Hollands for Chicago Great Western Railroad Company.

Charles Donnelly for Northern Pacific Railway Company.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

F. E. Paulson for Lehigh Portland Cement Company.

REPORT OF THE COMMISSION.

DANIELS, Commissioner:

This proceeding involves rates on cement from Mason City, Iowa, to various points in Minnesota and North Dakota. The protestant, Lehigh Portland Cement Company, is a manufacturer of cement at Mason City. The facts may be briefly summarized as follows:

Cement shipments from Mason City to certain points in Minnesota and North Dakota move via the Chicago, Milwaukee & St. Paul, hereinafter called the Milwaukee, to St. Paul, Minn., and thence via the Northern Pacific to the various destinations. To certain of these destinations this two-line route is unnecessarily circuitous, the points being reached by shorter and more direct lines from Mason City. At such points, hereinafter referred to as junction points, the Milwaukee and Northern Pacific formerly met the short-line rates; but they maintained higher rates to intermediate stations, upon the theory that the short-line competition at the more distant points might properly be met without reducing the rates at intermediate points. Applications for permission to continue this noncompliance with the long-and-short-haul rule of the fourth section were duly filed by the Northern Pacific.

In May, 1913, the Milwaukee assembled all its cement rates in a single tariff, I. C. C. No. B-2680, effective July 1, 1913. This tariff continued the same joint rates that had previously been in effect. On August 15, 1913, the Milwaukee issued supplement No. 2 to the cement tariff, effective September 17, 1913, under which the junction point rates probably became applicable at intermediate points. The effect of this supplement, according to the record, was to reduce all rates at intermediate points (which had theretofore been higher than the junction-point rates) to the level of such junction-point rates. A number of intermediate stations in Minnesota and North Dakota thus obtained lower rates. The Milwaukee had a general power of attorney for the Northern Pacific authorizing the former road to issue joint tariffs, and under this authority, without prior notification to the Northern Pacific, the supplement was issued which reduced the rates at intermediate points to equal the junction-point rates. It is asserted by both lines that this change in the tariff was made through error or inadvertence. And this would fairly appear to be the fact, inasmuch as the issuing carrier failed to notify the Northern Pacific of the proposed change in rates or to obtain its consent thereto. When the Milwaukee was advised of the effect of supplement No. 2, it published supplement No. 4, effective December 5, 1913, canceling joint through rates on cement with the Northern Pacific to certain points. The Northern Pacific, likewise, by supplement No. 1 to its tariff I. C. C. No. 5432, canceled its joint through rates to most of the points, but apparently left in effect the joint through rates to Detroit, Minn., Edgeley, N. Dak., and Linton, N. Dak.

These mutual cancellations were assailed by the protestant in the instant case. Had the cancellations not been suspended, there would have been very material increases in the rates on cement to a number of the destinations in question, due to the fact that the tariffs canceling the joint rates provided for the application of class rates thereafter. For example, the joint rate to Moorhead, Minn. (still in force by reason of the suspension), is 17 cents. The combination of commodity rates on cement based upon St. Paul is 18½ cents. The suspended tariff, however, would not have the effect of permitting the traffic to move at the rate of 18½ cents, but would result in application of the through-class rate of 28 cents, or an increase of 11 cents above the former rate. To Sydney, N. Dak., a noncompetitive point, the cement rate was 25 cents, and the combination of cement rates, based on St. Paul, 26 cents, whereas under the suspended tariff the through-class rate of 40½ cents would be applicable.

It was probably not intended by the carriers to increase the rates to the extent indicated, for under the fourth section it would be unlawful for the carriers to maintain rates from Mason City to the destinations in question which exceed the aggregate of the inter-

mediate rates based upon St. Paul. Nevertheless, the effect of the suspended tariffs is to establish rates via St. Paul which exceed the aggregate of the intermediate rates based upon that point.

It must not be overlooked that the short-line rates from Mason City to the junction points, which formerly enjoyed the competitive rates at the hands of the respondents, still remain in effect, and protestant can apparently reach all of these competitive points by the short lines at the same rates that were formerly maintained by respondents. The protestant may, however, suffer from the fact that under the cancellations it would lose the advantage of delivery upon a particular line. This in the case of an article like cement is often a matter of some importance.

It appeared at the hearing that cement rates have recently been reduced on intrastate traffic by the state of Minnesota, and respondents say that in the future these reduced rates will be used in connection with the 5-cent rate from Mason City to St. Paul to produce the through rate to points in Minnesota. Such reduced through rates, however, have not been filed with this Commission; and the effect of vacating our suspension at this time would be to permit the class rates to become effective to many of the points in question. The Minnesota rates to a certain extent influence and control the rates to places like Fargo, N. Dak., near the Minnesota line.

The rates to points east of Linton, N. Dak., afford a good illustration of the reductions made by the tariff applying the junction-point rates to the intermediate points. The direct line from Mason City to Linton is about four-fifths of the distance over the joint route of respondents (607 miles). The through rate by the joint route was, and still is, 23 cents. But rates via the joint route to some points on the Northern Pacific east of Linton have been just under 30 cents. It was testified that the intermediate application of the 23-cent rate to Linton would reduce to this level rates at intermediate points for a line distance of 200 miles east of Linton, as far as Buffalo, N. Dak.

At the hearing the respondents contented themselves by pointing out that the extension of the junction-point rates was the result of inadvertence on the part of one of the carriers, and contended that their efforts to undo this unintended result by mutual cancellations of joint through rates ought not to cast upon them the burden of proof attaching to a carrier who increases a rate under ordinary conditions. In our report in *Investigation and Suspension Docket No. 97* (Unreported Opinion No. 671) we said:

We are of opinion that in cases where it is clearly established, as in this case, that the suspended tariff was issued for the purpose of correcting a clerical error in publication of another tariff and for the purpose of restoring a schedule of rates which had been in existence for a number of years prior to the issuance of the erroneous tariff the Commission should vacate its order of suspension and dismiss the proceeding of investigation.

The same principle would be applicable to the instant case had the carriers restored the rates which were in effect in May, 1913, instead of providing for the application of class rates which are much higher than the aggregate of the intermediate rates subject to the act. Consequently we find that the respondents have failed to justify the rates which they proposed to establish by the suspended tariffs.

The protestant has taken strategic advantage of the technical burden under which the carriers find themselves in attempting to justify the new rates by asking for an order which will require the maintenance of the former junction-point rates at all intermediate points. It is true that protestant introduced evidence purporting to show by comparison that cement rates to the various destinations in question are too high. These contentions ought, we think, to be given careful consideration, but just as though an ordinary attack on existing rates were involved, and not as here, where the burden of proof is accidentally shifted. That is to say, although we find that defendants have failed to justify the increase in the rates to points other than junction points in so far as the suspended tariffs increase said rates above the rates which became effective July 1, 1913, and above the sums of the intermediate rates, we feel that we would not be justified in going further upon the present record; for it seems clear that the reduction of the intermediate rates to equal the junction-point rates was due to an error which respondents ought to have been allowed to rectify, had they done so by restoring the rates formerly in effect. Certainly the record contains no evidence which would warrant us in requiring the maintenance of the junction-point rates at the intermediate points. The record as it now stands is not such that the reasonableness of the former rates or of the present rates to the intermediate points can be fairly and satisfactorily determined.

The equities of the situation would seem to demand a resumption of the status quo as it was in July, 1913, so far as that may be possible, and a hearing upon the justice and reasonableness of the rates as they existed at that time. This situation could be attained by the entry of an order requiring the restoration of the former rates were it not that to reestablish the junction-point rates would cause a deviation from the long-and-short-haul rule of the fourth section. The original applications, which protected such deviations from that rule, were rendered inoperative when the carriers canceled their joint rates. *Conference Ruling No. 395*. Such applications can be made only by the carriers and can not be required by the Commission. Moreover, it is not clear that we could, under section 15, establish joint rates to the junction points in question. For example, the Milwaukee has its own line from Mason City to Linton, Fargo, Edgeley, and Wahpeton, N. Dak., and it formerly maintained rates

to those points over its own rails and participated in joint rates to those points in connection with the Northern Pacific. But an order requiring the reestablishment of the rates via the Milwaukee and the Northern Pacific would probably be in violation of that portion of section 15 of the act which prohibits the Commission from embracing in any through route substantially less than the entire length of a carrier's line between the termini of such proposed through route.

Upon consideration of all the facts of record, our conclusion is that we should require the carriers to cancel the suspended tariffs and to restore, as to points other than junction points, rates not in excess of those in force prior to May, 1913. Respondents may include in the tariffs so filed any reductions, in addition to those here required, which they propose to make as a result of the new cement rates in Minnesota. If they desire to continue to compete for business at the junction points, they may file applications under the fourth section for authority to restore the former rates at those points; and protestant may redraft its complaint so as squarely to attack such of the rates as it may consider unjust, unreasonable, or unduly discriminatory. Such a complaint would bring the entire situation before us upon its merits; and our conclusion in this case is without prejudice to any complaint which may be filed against any of the rates which will be established as a result of our order herein.

30 I. C. C.

No. 6463.
NEWMARK GRAIN COMPANY ET AL.
v.
SOUTHERN PACIFIC COMPANY ET AL.

Submitted February 14, 1914. Decided May 11, 1914.

Privilege of storage in transit for grain denied where it appears that like privileges are not granted by the defendants elsewhere in that territory and the necessity for storage at the point in question primarily grows out of domestic disturbances in the neighboring country of origin.

A. M. Norton for complainants.

G. D. Squires for Southern Pacific Company.

REPORT OF THE COMMISSION.

HALL, Commissioner:

In this proceeding the Newmark Grain Company, hereinafter called the grain company, and the Imperial Grain & Warehouse Company, hereinafter called the warehouse company, both California corporations, seek an order directing the Southern Pacific Company, one of the defendants, to establish a storage-in-transit privilege on grain at El Centro, Cal. The grain company owns a majority of the capital stock of the warehouse company, and both companies are engaged in buying, selling, exporting, importing, and storing grain and its products.

The grain company in 1912 and 1913 handled approximately 75 per cent of the grain raised in that part of northern Mexico just south of the California boundary line. This Mexican grain moves from the fields at the local rate over the line of the other defendant, the Inter-California Railway Company, a part of the Southern Pacific system, up to Calexico, Cal., on the international boundary. It is there turned over to the Southern Pacific Company. The latter's line from Calexico to Los Angeles and San Pedro, Cal., passes through El Centro, which is 9 miles north of Calexico, 213 miles east of Los Angeles, Cal., and 235 miles east of San Pedro, which is the port of Los Angeles.

This Mexican grain is exported in large quantity through San Pedro. Because of the unsettled political conditions in Mexico the grain dealers aim to remove it from that country as soon as harvested. That part of the 1912 crop handled by the grain company was transported into the United States immediately after harvesting, and

evidence of similarity of the various circumstances and conditions of transportation, would seem to be a somewhat extreme one. It is well known that rates have been frequently justified or condemned by this Commission upon records containing little else than mere rate and distance comparisons; under the condition, however, of a known general similarity of conditions, as for example where the movements compared are of the same commodity in the same territory. Granting, however, that there is some dissimilarity of conditions in the various movements involved in this and in the other related coke cases and that the differences now remarked by counsel are of a kind to influence the amount of the rates in question, we may say that, without attempting to assign the precise weight which should be given to these differences, we feel confident that they do not sustain a valid criticism of the Buffalo rate, which we have approved. The rate of \$1.85 to Buffalo is not only not unreasonably high, but on the contrary is low when compared with the present rates to eastern Pennsylvania furnaces. It is also low as compared with the other rates determined to be reasonable by this Commission in the related coke-rate cases. A recent examination of the comparison has served only to strengthen this conclusion. Measurement of these rates by an arbitrary measuring rate computed from the rates themselves shows that the Buffalo rate, even using the distance of 314 miles urged by complainants, is still somewhat out of line with the other rates and might, if established solely upon the distance basis, which we do not suggest, be put as high as \$1.94 rather than \$1.85.

This leaves for consideration complainants' contention that in justifying the increased rate the Commission must have gone, and in fact, did go, outside of the record in the instant case to support its conclusion, and that in so doing it deprived complainants of the hearing guaranteed them by the act. In support of their asserted rights in this regard counsel cite *Interstate Commerce Commission v. L. & N. R. R. Co.*, 227 U. S., 88, which holds that the statute gives parties a right to a full hearing and imposes upon the Commission the duty of deciding in accordance with the facts proved and holds, moreover, that information gathered by the Commission in the exercise of its jurisdiction conferred by section 12 of the act is not available where the party is entitled to a hearing. A brief answer to complainants' contention is that they were accorded a full hearing, that the Commission has decided in accordance with the facts proved and that it did not base its conclusion in the instant case on evidence introduced in the other coke-rate cases. As has already appeared in the foregoing portion of this report, what the Commission did was simply to refer to its conclusions in those other cases, or, in other words, it used the rates there found to be reasonable after extensive

examination and most careful consideration as a measure of the reasonableness of the rate in the *Wickwire case*. This is quite in accord with our ordinary practice as shown for example in *Rates for the Transportation of Cooperage From Salt Lake City*, 24 I. C. C., 656, 659. To contend that the Commission could make no such comparison and that in deciding the *Wickwire case* or any particular case of the group it was compelled to shut its eyes to all the other cases or to divide its mind into separate compartments and to consider each one without any reference whatsoever to the other, and this in the face of their unavoidably necessary relation, is a proposition which can not be seriously advanced.

A dictum in *United States v. B. & O. S. W. Ry. Co.*, 226 U. S., 14, 20, refers to this right of the Commission, to take notice of the results reached by it in other cases. The dictum, however, stipulates as a condition of this right that the facts thus noticed should be specified in the record, so that matters of law may be saved. This dictum is cited by complainants in their opening brief with the observation that in the present case nothing has been made to appear in the record as to the results reached in other cases and that a court would not be enabled to review the decision of the Commission in this regard. It is true that the Commission's decision does not specify with particularity the rates in the other coke-rate cases used as the standard of comparison. The Commission probably was betrayed into a lack of formality in this regard because of its consciousness of the familiarity both of the defendants and the complainants with the other cases which it had in mind. It assumed that both would quite clearly understand the reference to the other cases and would have easy access to the cited comparison. If the reference was, however, as a matter of record, too indefinite, it has now been corrected by the enumeration of the other cases in the preceding portion of this report and further cause of complaint in this regard would seem to disappear.

In conclusion we are of opinion that for the reasons indicated above complainants' allegations of error in the original decision in this case have not been sustained. Since no new evidence has been offered we can see no reason to depart from our original finding that the reasonableness of the rate of \$1.85 to Buffalo had been established. It follows that the complaint must be dismissed and it will be so ordered.

INVESTIGATION AND SUSPENSION DOCKET No. 339.
CEMENT RATES FROM MASON CITY, IOWA.

Submitted February 28, 1914. Decided May 4, 1914.

The Chicago, Milwaukee & St. Paul Railway Company and the Northern Pacific Railway Company had established joint through rates on cement from Mason City, Iowa, to certain terminal points in Minnesota and North Dakota, which through rates had no intermediate application. The former carrier published a supplement to its tariff by which it apparently unintentionally gave intermediate application to the low terminal rates. This effect of the supplement being discovered, both carriers filed tariffs canceling the joint through rates to most of the points in question. These latter tariffs having the effect of advancing the rates above the level established by the supplement, protestants objected to the filing of the tariffs canceling the joint through rates; *Held*, That the equities of the situation demand a resumption of the status quo as it was under the old rates and a hearing upon the reasonableness of those rates.

F. S. Hollands for Chicago Great Western Railroad Company.

Charles Donnelly for Northern Pacific Railway Company.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

F. E. Paulson for Lehigh Portland Cement Company.

REPORT OF THE COMMISSION.

DANIELS, Commissioner:

This proceeding involves rates on cement from Mason City, Iowa, to various points in Minnesota and North Dakota. The protestant, Lehigh Portland Cement Company, is a manufacturer of cement at Mason City. The facts may be briefly summarized as follows:

Cement shipments from Mason City to certain points in Minnesota and North Dakota move via the Chicago, Milwaukee & St. Paul, hereinafter called the Milwaukee, to St. Paul, Minn., and thence via the Northern Pacific to the various destinations. To certain of these destinations this two-line route is unnecessarily circuitous, the points being reached by shorter and more direct lines from Mason City. At such points, hereinafter referred to as junction points, the Milwaukee and Northern Pacific formerly met the short-line rates; but they maintained higher rates to intermediate stations, upon the theory that the short-line competition at the more distant points might properly be met without reducing the rates at intermediate points. Applications for permission to continue this noncompliance with the long-and-short-haul rule of the fourth section were duly filed by the Northern Pacific.

In May, 1913, the Milwaukee assembled all its cement rates in a single tariff, I. C. C. No. B-2680, effective July 1, 1913. This tariff continued the same joint rates that had previously been in effect. On August 15, 1913, the Milwaukee issued supplement No. 2 to the cement tariff, effective September 17, 1913, under which the junction point rates probably became applicable at intermediate points. The effect of this supplement, according to the record, was to reduce all rates at intermediate points (which had theretofore been higher than the junction-point rates) to the level of such junction-point rates. A number of intermediate stations in Minnesota and North Dakota thus obtained lower rates. The Milwaukee had a general power of attorney for the Northern Pacific authorizing the former road to issue joint tariffs, and under this authority, without prior notification to the Northern Pacific, the supplement was issued which reduced the rates at intermediate points to equal the junction-point rates. It is asserted by both lines that this change in the tariff was made through error or inadvertence. And this would fairly appear to be the fact, inasmuch as the issuing carrier failed to notify the Northern Pacific of the proposed change in rates or to obtain its consent thereto. When the Milwaukee was advised of the effect of supplement No. 2, it published supplement No. 4, effective December 5, 1913, canceling joint through rates on cement with the Northern Pacific to certain points. The Northern Pacific, likewise, by supplement No. 1 to its tariff I. C. C. No. 5432, canceled its joint through rates to most of the points, but apparently left in effect the joint through rates to Detroit, Minn., Edgeley, N. Dak., and Linton, N. Dak.

These mutual cancellations were assailed by the protestant in the instant case. Had the cancellations not been suspended, there would have been very material increases in the rates on cement to a number of the destinations in question, due to the fact that the tariffs canceling the joint rates provided for the application of class rates thereafter. For example, the joint rate to Moorhead, Minn. (still in force by reason of the suspension), is 17 cents. The combination of commodity rates on cement based upon St. Paul is 18½ cents. The suspended tariff, however, would not have the effect of permitting the traffic to move at the rate of 18½ cents, but would result in application of the through-class rate of 28 cents, or an increase of 11 cents above the former rate. To Sydney, N. Dak., a noncompetitive point, the cement rate was 25 cents, and the combination of cement rates, based on St. Paul, 26 cents, whereas under the suspended tariff the through-class rate of 40½ cents would be applicable.

It was probably not intended by the carriers to increase the rates to the extent indicated, for under the fourth section it would be unlawful for the carriers to maintain rates from Mason City to the destinations in question which exceed the aggregate of the inter-

then through to San Pedro, where it was held in bond awaiting export. The portion not exported was subsequently sold in Los Angeles and was necessarily back hauled from San Pedro.

To obviate the expense of this back haul the warehouse company built and bonded a public warehouse at El Centro prior to the movement of the 1913 crop, and stored there, instead of at San Pedro, the portion of that crop handled by it. This storage at El Centro provides for the subsequent movement to San Pedro of grain for export and to Los Angeles of grain for the domestic market. But it also involves the payment of the local rates of the Southern Pacific Company to and from El Centro, instead of the through rates from Calexico, to complete the movement to either ultimate destination. The following rates are pertinent:

From—	To—	Rate per ton.
Calexico.....	El Centro.....	\$0. 85
Do.....	Los Angeles.....	3. 60
Do.....	San Pedro.....	4. 10
El Centro.....	Los Angeles.....	3. 10
Do.....	San Pedro.....	4. 00
San Pedro.....	Los Angeles.....	. 60

The complainants claim that in handling grain from Calexico to Los Angeles or San Pedro, with storage en route at El Centro, the Southern Pacific performs no service other than what it performs on the direct through haul, except the switching of a loaded car into and out of the warehouse at El Centro. For each of these switching movements it is claimed that \$2.50 per car would be a reasonable charge, as it is the usual charge at Los Angeles and other California points. Complainants therefore suggest that the through rates from Calexico, with privilege of storage in transit at El Centro, be fixed at \$5 per car over the present rates from Calexico to Los Angeles and San Pedro, respectively, and contend that the combinations of local rates, now charged on grain stored in transit at El Centro, are unreasonable and violate section 1 of the act to regulate commerce in so far as they exceed the rates suggested. The complaint alleges that in other states storage in transit is allowed on grain destined to California, but no charge of discrimination is made.

The Commission finds nothing in this record to justify issuance of the order asked. It is not shown that these defendants anywhere grant a storage-in-transit privilege on grain. On the contrary, defendant Southern Pacific Company shows that there are numerous other grain-storage warehouses on its line, and that not one enjoys such a privilege. Neither is there any definite proof that either

defendant hauls into California any grain that has enjoyed a storage-in-transit privilege on any other line. Upon hearing, the grain company's manager admitted that its present difficulty is all in the Mexican situation, and that storage in transit would not be expected to apply to grain grown in California and stored at El Centro. The inherent reasonableness of the Southern Pacific Company's local rates to and from El Centro, upon which Californian as well as Mexican grain moves, was not attacked upon hearing. Discrimination was not even charged, and upon the record it certainly is not proved. The rates upon which this grain moves from Mexico to San Pedro break at the border town of Calexico, only 9 miles from El Centro, and this rate adjustment existed and was known to petitioners when the warehouse company chose to build its storehouse at El Centro. The inability of complainants to handle Mexican grain with safety by storing it near the harvest field pending ultimate consignment, as they handle American grain, does not entitle them to relief at the expense of the carriers or to a privilege not accorded to their competitors. The necessity for storage within the American boundary lies primarily in political conditions, for which the carriers are not responsible and over which they have no control.

It is the view of the Commission that to grant this prayer would be to create a discrimination rather than to correct any unreasonableness of rates. An order of dismissal will be entered.

Commissioner CLARK took no part in the decision of this case.

No. 8373.
**IN THE MATTER OF THE MUNCIE & WESTERN RAIL-
ROAD COMPANY.**

Submitted May 18, 1912. Decided May 5, 1914.

Upon the facts disclosed of record it is *Held*, That the Muncie & Western Railroad Company is the private facility of the Ball Brothers' Glass Manufacturing Company, and that the allowance of a switching charge heretofore paid to it by the trunk lines was without justification.

Rollin Warner, Arthur W. Brady, and Henry B. F. Macfarland for Muncie & Western Railroad Company.

M. T. Brady for Indiana State Railroad Commission.

REPORT OF THE COMMISSION.

HARLAN, Chairman:

The discovery about 1888 of natural gas in the vicinity of the city of Muncie, in the state of Indiana, caused some of its citizens to join in an effort to make it an industrial center by directing the attention of manufacturers to this source of cheap and convenient fuel and promising them adequate railway service. One of the first companies attracted to the place was the Ball Brothers' Glass Manufacturing Company, which erected a large plant for the manufacture of fruit jars and similar glassware at a point now called Industry, about 1 mile south of the city. At that time Muncie was served by the Lake Erie & Western, the Big Four, so called, and by the Fort Wayne, Cincinnati & Louisville railroads. The latter was the first company to extend its tracks to the new glass plant and to the few other factories located in that part of the city. These tracks later developed into a general public belt line, known as the Fort Wayne Belt, now a subsidiary of the Lake Erie & Western. Subsequently the Muncie Belt, a subsidiary of the Big Four, also extended its tracks to the glassworks. After some litigation with the Fort Wayne Belt the new switching line was completed and put into operation in 1892.

In 1892 the New York Central lines obtained control over the Lake Erie & Western and the two belt lines thus came under a common management with the result, as said of record, that the efficiency of the switching service was somewhat impaired. Whatever may be the fact in that regard the glass company some 10 years later incorporated, or caused to be incorporated, the Muncie & Western

Railroad Company and constructed a track to connect its plant with the rails of the Chesapeake & Ohio. Apparently the intention was to connect the new industries in the south part of the town with all the trunk lines entering Muncie. But after the glass factory had thus been connected up with the Chesapeake & Ohio, and before the rails of the Muncie & Western were extended to the other industries, the supply of natural gas failed and practically all the factories, except the glass plant, closed down. It is claimed of record that the Muncie & Western, except for this circumstance, would have been extended to other plants; but as a matter of fact the construction work went no further after the glassworks had been connected with the rails of the Chesapeake & Ohio. Later it was connected up with the Pennsylvania lines and still later with the Muncie Belt. In this manner the glass factory was afforded an outlet over all the trunk lines serving Muncie. As finally completed the Muncie & Western has only 2.78 miles of track, of which 1 mile is called main track, the remaining 1.78 miles consisting of yard tracks and sidings located in and around the glass factory. For the right of way and certain tracks within the plant it pays the proprietary glass company a rental of \$5,000 a year. It owns only the 1 mile of track outside the plant. On its rails is a small pottery factory, which is also reached by the tracks of the Fort Wayne Belt Line.

The Muncie & Western has no freight-car equipment and has never even owned a locomotive. When it began operations in 1902 it switched the traffic of the glass plant to and from the trunk lines with a leased locomotive. But it abandoned this in 1905 and entered into an arrangement, which is still in effect, by which the switching operations are performed and the material and labor for maintenance of the tracks are supplied by the Muncie Belt Line. The latter is reimbursed by the Muncie & Western for the actual cost of maintenance, which amounted in 1912 to about \$1,800; it was also reimbursed by the Muncie & Western for the actual operating cost, which for the same period amounted to about \$5,000. As approximately 10,000 cars are handled in and out of the glass plant a year, it will be seen that the cost to the glass company is something less than 75 cents a car. Nevertheless, the Muncie & Western, although it performs no physical operations, receives allowances from the connecting carriers of \$2.50 a car on inbound material and \$3.50 a car on outbound manufactured products. These charges are absorbed by the trunk lines having a line haul on the traffic of the glass company. In other words, the trunk lines pay these sums to this nonoperating plant railway for the privilege of handling traffic into and out of the glass works.

The Muncie & Western has no outstanding bonds, and its capital of \$50,000 is owned by the stockholders of the glass company, each

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stockholder of the latter being also a stockholder in the former. The record indicates that not over \$28,000 in cash has been expended upon the property up to the date of the hearing. This entire amount was furnished to the Muncie & Western by the glass company, and we infer from the record that it has been fully repaid to the stockholders of that company out of the revenues of the plant railway. Its annual report for the year ending June 30, 1912, shows a total revenue of \$23,626, all derived ostensibly from switching operations performed by it, but in reality performed by the Muncie Belt Line at cost. Its expense account for that period amounted to \$11,357.56, leaving it a net operating revenue of \$12,268.44. After the payment of taxes amounting to \$318.49 and after paying to the proprietary company for a right of way within the plant \$5,000, there was left to the plant railway a surplus of \$6,949.95. This amount added to the accumulated surplus of previous years left the company on June 30, 1912, with a total surplus of \$29,516.39.

The record presents a remarkable example of the devices resorted to by industrial companies for exacting allowances from the trunk lines on their own traffic. Here we have a plant railway, representing a total investment of \$28,000, upon which there accrues to the proprietary interests an annual net revenue of nearly 50 per cent, although the plant railway owns neither cars nor locomotives and does not itself turn a wheel.

Upon all the facts disclosed of record the Muncie & Western is shown to be purely a private facility of the Ball Brothers' Glass Manufacturing Company, and we so conclude and find. We further find and conclude that there is no justification for the allowance to it by the connecting trunk lines of a switching charge. These allowances were discontinued on April 1, as we understand the present situation. It may be well to add that the disposition of the case has been deferred by reason of the pendency of the same general questions in *Industrial Railways case*, 29 I. C. C. 212.

No. 5506.

NEW YORK STATE SHIPPERS' PROTECTIVE ASSOCIATION
v.
NEW YORK CENTRAL & HUDSON RIVER RAILROAD COM-
PANY ET AL.

Submitted March 7, 1914. Decided May 5, 1914.

Upon the facts set forth in the report, and following the authorities cited therein, this complaint, which brings in issue the lawfulness of defendant's rules and practices with respect to car fittings, is dismissed.

Milton E. Gibbs for complainant.

Ernest S. Ballard for New York Central & Hudson River Railroad Company.

Henry Wolf Bikelé for Pennsylvania Railroad Company.

Theo. H. Burgess for Erie Railroad Company.

John L. Seager for Delaware, Lackawanna & Western Railroad Company.

Stewart C. Pratt for Lehigh Valley Railroad Company.

REPORT OF THE COMMISSION.

McCHORD, *Commissioner*:

This case brings in issue the lawfulness of the regulations and practices of railroads in western New York with respect to car fittings used in connection with shipments in bulk of grain, potatoes, and other produce. Complainant is an incorporated association having a membership of about 65 firms and individual shippers and has its main office in Rochester, N. Y. Its members ship grain, potatoes, cabbage, apples, onions, carrots, and other produce, from various points of origin in the western part of the state of New York, to Boston, New York City, Philadelphia, Baltimore, Pittsburgh, and points taking the same rates.

In substance it is asserted that it is the carrier's duty to supply cars at all seasons of the year fully equipped for the safe transportation of grain, potatoes, and other produce in bulk without further fitting; or, that if a car be tendered the shipper which can not safely be used for such commodities, in view of their nature or of the condition of the weather, it is the carrier's duty to furnish, or to pay for, all materials and labor necessary to render the car reasonably safe. The particular matters to which complainant directs attention are the rules

and practices of the defendants with respect to grain doors, bulkheads, and car linings.

For loading certain commodities in bulk, grain doors and bulkheads are used at all times of the year, the former to retain the load in the car and to prevent leakage therefrom, and the latter to divide the car into two bins, one at either end, and a free space from door to door between the bins. Car linings serve other purposes, which will be pointed out later.

The rules and practices of these defendants concerning grain doors are not identical in all details, but the rules of one carrier do not differ in any material respect from those of another, nor from the rules generally in force throughout the country. The carriers supply grain doors, or reimburse the shipper for their actual cost, not exceeding \$2 per car, when furnished by him. Inside or extra doors have been furnished to shippers of grain for about 35 years; their cost is practically the same in all cases; there were special reasons which induced the railroads to furnish them; and the presumption is that rates are maintained with respect thereto. *National Wholesale Lumber Dealers Assn. v. A. C. L. R. R. Co.*, 14 I. C. C., 154, 163. Although it is contended here that \$2 per car is not fully compensatory to the shipper when doors are furnished by him, we see no reason on this record to require a change in the rules or practices of the defendants, or to uproot a general practice of long standing that is not inequitable. There is no undue burden borne by these New York shippers of grain, and no reason has been shown why they should receive advantages not extended to grain shippers in other sections of the country.

Bulkheads are temporary barriers of boards and extend across the interior of the car on either side of the door openings. They convert the car into bins, one at either end, with a free space between the bins from door to door. The height to which they are built varies, and the complainant contends that the shipper is seldom, if ever, reimbursed for the expense of constructing them. Defendants' tariffs with respect to bulkheads differ in minor details, but they all agree in making \$2 the maximum allowance. Apparently providing bulkheads, or making an allowance therefor when furnished by the shipper, is a practice that is comparatively recent and was entered into by these defendants for intrastate shipments in obedience to state authority; afterwards it spread to interstate shipments. This practice is not so widely extended throughout the country as is that of supplying inside doors for grain shipments; and to the extent the practice is not general, New York shippers are preferred and have an advantage over other shippers of produce in bulk. Nothing in the

present record is persuasive that the rules and practices of defendants in regard to bulkheads are unreasonable or subject these shippers to undue disadvantage.

For the protection in winter of perishable bulk produce, shippers in western New York furnish all cars with linings and heat the air in the cars prior to forwarding.

Potatoes move largely in winter and the facts connected with their loading, protection from frost, and transportation were presented by the parties as typical of those pertaining to perishable produce generally. Frost protection that is sufficient for potatoes in bulk is ample for bulk shipments of apples, onions, and carrots, and is more than is needed for cabbage. These commodities move safely in bulk in ordinary box, or even stock cars, without special weather protection, except during the colder months of the year, from November to April. During the winter the defendants furnish refrigerator or produce cars for such shipments, as the best types of equipment owned by them, and occasionally a box car is lined by the shipper and used by him during the season. At all times, and whatever type of equipment be used, the shipper fits the car for loading in bulk by constructing bulkheads. This facilitates loading and unloading and provides in winter a free space for the stove between the doors. The stove does not remain in refrigerator or produce cars during transportation; it is removed as soon as the air in the car has been thoroughly heated; the car is sealed and sent on its way without special attendance. When box cars are used, which seldom happens in western New York, the stove remains in the car and an attendant is necessary.

The rates on these commodities are not in issue; they are the same throughout the year and apply to shipments in bulk or in packages. No extra charge is made by these defendants for the use of produce or refrigerator cars in winter, and allowances for the weights of linings are made. The allowance made by the official classification is 1,000 pounds per car. By exceptions to this rule, some of the defendants increase the weight allowed for linings; however, these increases are not material, as the testimony indicates that the linings used by these shippers in produce and refrigerator cars average about 1,000 pounds, and box cars, which would require heavier linings, are seldom or never used.

The methods of providing extra frost protection in produce and refrigerator cars used by these shippers differ, but the general practice is to build a temporary floor at each end of the car, raised enough above the permanent floor to provide a space for the circulation of air. These temporary floors extend only to the bulkheads and are

covered with insulating paper, which is continued up the sides of the car to the height of the load. The ice boxes and ventilators at the end of the car are boarded over. A refrigerator or produce car so lined and heated will protect the shipment from frost for four or five days, even in zero weather.

The cost of lining refrigerator and produce cars in the manner described varies from \$11 to \$15 per car, and we may assume that a fair average of these expenses would be about \$13. Complainant claims that the carriers should furnish cars so fitted for the transportation in bulk of the commodities named that no additional fittings would be required and no linings needed for protection from frost. Defendants claim, on the other hand, that their rates are the same throughout the year, and apply on these articles in packages or in bulk; that if the shippers would use packages, no bulkheads or linings would be necessary; and that having furnished the most suitable equipment owned by them, any additional fittings needed to adapt the cars for special service should be at the expense of the shipper.

Western New York shippers, at points of destination, compete with shippers of potatoes from Maine, Michigan, Wisconsin, and Minnesota. Shipments from Maine move in Eastman heater cars and pay charges for heater service, in addition to the rates for transportation, that amount to \$14.40 per car for 400 miles and \$25.20 per car for 700 miles. *Boston Potato Receivers' Asso. v. B. & A. R. R. Co.*, 25 I. C. C., 159. In winter, shippers of potatoes from points in Minnesota and Wisconsin to Chicago and other points may elect between a protected service, in special equipment at the risk of the carrier for weather damages, or at a lower rate and at their own risk may furnish their own protection. *Protection of Potato Shipments in Winter*, 26 I. C. C., 681, and 29 I. C. C., 504. The record before us sets forth a shipment of potatoes in bulk from Batavia, N. Y., to Rockaway, N. J., which moved in December, 1913. The shipment weighed between 30,000 and 31,000 pounds, the rate was 15 cents per 100 pounds, the total charges slightly over \$45, and it moved in an unlined refrigerator car, presumably without damage. The distance from Batavia to Rockaway is about 370 miles and the rate charged yielded a revenue slightly over 8 mills per ton per mile. If the car had been lined the cost of this protection to the shipment would have been about \$12.25, and it is complainant's contention that such expense should be placed upon the carrier. It would seem, however, that shippers from western New York are not subjected to greater total expense for moving potatoes in winter than is borne by shippers from Maine and they are at least upon an equal footing with shippers from Minnesota and Wisconsin.

In what is known as the *Precooling case* the Supreme Court has recently passed upon the subject of car fittings. *A., T. & S. F. Ry. Co. v. United States*, 232 U. S., 199. The court said:

As a general rule, the carrier loads all freight tendered in less-than-carload lots while the consignor loads in all cases where, for his convenience, the car is placed at his warehouse or on public team tracks. * * *

But loading may involve more than the mere placing of the freight on the car, since the character of the shipment may be such as to require the furnishing and placing of stakes, racks, blocks, and binders needed to make the transportation safe; or, the freight may be such as to require special covering, packing, icing, or heating, in order to preserve the merchandise in condition fit for use at the end of the journey. Who is to furnish these needed facilities may be quite as uncertain as who is to place the freight on the car, and can only be determined by considering the character of the shipment, the place where the loading begins, and who can most economically perform the service required.

Neither party has a right to insist upon a wasteful or expensive service for which the consumer must ultimately pay. The interest of the public is to be considered as well as that of shippers and carriers—their rights in turn having been adjusted by a reduction in the rate if the loading is done in whole or in part by the shipper, and by an increase in the rate where the loading is done in whole or in part by the carrier. But, by whomsoever done, the loading must be such as to fit the freight for shipment.

In the last analysis sound economics and valid law coincide. Neither the shipper nor the carrier can insist upon a wasteful or expensive service for which the consumer must ultimately pay. At present these shippers are provided in wintertime, without extra charge, with produce or refrigerator cars, and the rates are the same throughout the year. They admit that if the carrier furnished heater cars they would have to bear the additional expense for the extra service, but this record does not show how much that would be, as these defendants have no heater cars. However, if we compare the charges for heater service approved in *Boston Potato Receivers' Asso. case*, *supra*, with the cost of lining the cars, as shown here, it appears that the ultimate expense to the public is somewhat less from western New York shipping points than from points in Maine. This comparison is not vitiated by the fact that the New York shipper thoroughly heats the car before sealing it, as described above, for the cost of this heating can not be very great, and must be less than the expense of continuous heating and personal attendance that shippers from other sections bear.

Many cases involving the question whether the carrier or the shipper should bear the expense of car fittings have been submitted to us. The summary of our conclusions given in *Southwestern Missouri Millers' Club v. St. L. & S. F. R. R. Co.*, 26 I. C. C., 245, 251, was as follows:

Generally, when it is necessary to secure upon the car freight which the shipper loads, it is the duty of the shipper to provide the necessary material and do the work. This applies to machinery and other articles which must be fastened to the floor of the

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car or in some other way secured in the car to prevent lurching from side to side. Where special preparation is required to fit the car for the shipment of a particular commodity, the task of special preparation ordinarily devolves upon the shipper, and the reason for this is that the shipper can, as a rule, in case of carload freight where the loading is done by him and where the car is put into his possession for that purpose, perform this work most economically and to better advantage than the carrier.

It is not necessary to pursue this subject further or to take up in detail the various minor contentions of the parties to this case. It appears that improved cars are coming into use provided with grooves on either side of the doorway in which boards may be placed to form bulkheads, and that some of the defendants now furnish refrigerator cars equipped with racks or false sectional floorings, which supply nearly all the winter requirements of these shippers. At the present time shippers frequently nail their bulkheads and false floorings to the car, even though the tariffs forbid them so to use refrigerator and produce cars. Every nail that is driven into these cars punctures the insulating materials, upon the integrity of which their usefulness depends. It would seem that the shippers and carriers should cooperate in the use and maintenance of such equipment, the carriers by providing dead pieces into which nails may be driven without injuring the car and the shippers by placing nails only where they can be used without injury to the insulation.

The complaint should be dismissed, and it will be so ordered.

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No. 5315.

MORRIS, JOHNSON, BROWN MANUFACTURING COMPANY
v.
ILLINOIS CENTRAL RAILROAD COMPANY ET AL.

Submitted April 30, 1913. Decided May 5, 1914.

Carload rates on excelsior from Dubuque, Iowa, to Chicago and Peoria, Ill., and St. Louis, Mo., not found to be unreasonable or unjustly discriminatory, but rates from Dubuque to Missouri River points held to be unreasonable, and reasonable rates for the future prescribed.

J. H. Henderson, Dwight N. Lewis, and W. B. Martin for complainant.

A. P. Humburg for Illinois Central Railroad Company.

R. B. Scott for Chicago, Burlington & Quincy Railroad Company.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

G. B. Winston for Chicago Great Western Railroad Company.

W. F. Dickinson and Wallace T. Hughes for Chicago, Rock Island & Pacific Railway.

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

Complainant, a corporation engaged in the manufacture of excelsior at Dubuque, Iowa, attacks the carload rates on excelsior from Dubuque to Chicago and Peoria, Ill., St. Louis, Kansas City, and St. Joseph, Mo., Leavenworth, Kans., and Omaha, Nebr., as unreasonable and unjustly discriminatory in comparison with the rates on the same commodity from St. Paul, Minn., to the destinations named.

Complainant has been manufacturing excelsior at Dubuque during the past 10 years. The principal markets for its output, which exceeds 200 carloads per year, are Missouri River points. Its product is also shipped to St. Louis and manufacturing and jobbing centers in Illinois and Iowa. Excelsior is manufactured at various points in Wisconsin and at Guttenberg, Iowa, and East Dubuque, Ill., but the strongest competition complainant must meet is from a plant located at St. Paul.

Rates in cents per 100 pounds from St. Paul and Dubuque to the destinations involved prior and subsequent to September 15, 1912, are shown in the table following.

To—	From St. Paul.			From Dubuque.		
	Distance in miles. ¹	Rate prior to Sept. 15, 1912.	Rate subsequent to Sept. 15, 1912.	Distance in miles. ¹	Rate prior to Sept. 15, 1912.	Rate subsequent to Sept. 15, 1912.
Chicago.....	398	\$ 13.5	\$ 10	172	\$ 10	\$ 10
Peoria.....	425	\$ 13.5	\$ 10	191	\$ 10	\$ 10
St. Louis.....	576	\$ 18	\$ 12.5	347	\$ 13	\$ 13
Omaha.....	371	\$ 22	\$ 14	333	\$ 17	\$ 17
Kansas City.....	486	\$ 22	\$ 14	377	\$ 17	\$ 17
Leavenworth.....	486	\$ 22	\$ 14	379	\$ 17	\$ 17
St. Joseph.....	467	\$ 22	\$ 14	359	\$ 17	\$ 17

¹ Short-line mileage.² Minimum weight, 20,000 pounds.³ Minimum weight, 30,000 pounds.

Complainant's witnesses testified that the adjustment was satisfactory before the rates from St. Paul were reduced. Defendants assert that the reduced rates from St. Paul shown in the above table were not voluntarily established, but were published as a result of the decision in the case of *Keogh v. C. B. & Q. R. R. Co.*, 24 I. C. C., 606. In that case it was held that defendant's excelsior rates should not exceed the rates contemporaneously in effect on flax tow from St. Paul to Chicago, St. Louis, and Missouri River points. The Chicago, Burlington & Quincy Railroad, the sole defendant therein, complied with the Commission's order by reducing its rates on excelsior to the basis of its flax-tow rates, and similar action was taken by other carriers participating in the traffic, but they subsequently filed tariffs advancing the rates on both commodities to equal the rates formerly in effect on excelsior. The tariffs naming the increased rates were suspended. After investigation and consideration of the matter in *Rates on Excelsior and Flax Tow from St. Paul, Minn.*, 26 I. C. C., 689, the carriers were allowed to restore the 13½-cent rate from St. Paul to Chicago, but we refused to approve rates from St. Paul in excess of 16 cents to St. Louis and 17½ cents to Missouri River points. Rates from St. Paul have been established in accordance with the Commission's holdings, so that the present adjustment of excelsior rates from St. Paul and Dubuque to Chicago and Peoria is practically the same as before complaint was filed. The rate from St. Paul to St. Louis, which was a half cent lower than the rate from Dubuque when complaint was filed, is now 3 cents higher than the rate from Dubuque, and the rate from St. Paul to the Missouri River points, which was 3 cents less than the rate from Dubuque, is now a half a cent more than the Dubuque rate.

A minimum weight on excelsior of 20,000 pounds for a 36-foot car, with increased minima for larger cars graduated in accordance with rule 6-B of western classification applying in connection with rates from St. Paul, was approved in *Rates on Excelsior and Flax Tow from*

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St. Paul, Minn., 29 I. C. C., 640. All of the present rates are based on a minimum weight of 20,000 pounds, subject to rule 6-B of western classification, except the rates from Dubuque to Chicago, Peoria, and St. Louis, which are based on a minimum weight of 20,000 pounds, regardless of the size of the car.

The 17-cent rate from Dubuque to Missouri River points is the class-C rate, provided in western classification for excelsior in carloads. Class-C rate from St. Paul to Omaha is 22 cents, and 23 cents to the other Missouri River points. The maximum rate on excelsior from St. Paul to Missouri River points authorized by the Commission as a result of the investigations above referred to is 17½ cents per 100 pounds. Under the higher rates formerly in effect and voluntarily established by the carriers there was a differential of 5 cents between the excelsior rates from St. Paul and Dubuque to points on the Missouri River in favor of Dubuque.

We do not regard the present adjustment of rates to Chicago, Peoria, or St. Louis unreasonable or unjustly discriminatory, but upon consideration of all the facts and circumstances of record we find that a reasonable rate on excelsior in carloads from Dubuque to Omaha, Leavenworth, St. Joseph, and Kansas City should not exceed 14½ cents per 100 pounds, based on a minimum weight of 20,000 pounds, subject to rule 6-B of western classification. An order will be entered requiring the establishment of that rate for the future. We find no basis for an award of reparation, and no order for this purpose will be made.

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No. 6052 (Sub-No. 1).
CHAMBER OF COMMERCE OF WASHINGTON, D. C., ET AL
v.
BALTIMORE & OHIO RAILROAD COMPANY ET AL

No. 6058.
O. J. DE MOLL & COMPANY ET AL.
v.
SOUTHERN RAILWAY COMPANY ET AL.
FOURTH SECTION APPLICATION No. 1781.

Submitted May 6, 1914. Decided May 11, 1914.

On the facts of record, *Held*:

1. That, following *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.*, *ante*, page 388, respondents are warranted in their withdrawal of store-door delivery at Washington, D. C., which, with certain exceptions, embraced the first four classes of freight from defined eastern and New England territories
2. That the class rates from said territories to Washington are not shown to be unreasonable.
3. That the portion of respondents' fourth section application No. 1781 which asks authority to continue lower rates to Richmond than to Washington on the several classes of freight from New York and other eastern points is denied.
4. That the class rates from Washington to the Carolinas and other southeastern territories are unlawful to the extent that they exceed the aggregates of the intermediate rates. Proceedings held open to await effective readjustment of rates by the southern carriers and for other stated purposes.

Chapin Brown and *H. Earleton Haines* for Washington Chamber of Commerce.

Maurice D. Rosenberg for Washington Retail Merchants' Association.

Max C. J. Weihle and *Alpheus Winter* for O. J. De Moll & Company and others.

W. C. Coleman for Baltimore & Ohio Railroad Company.

Henry Wolf Bikelé for Pennsylvania Railroad Company and affiliated lines.

M. P. Callaway for Southern Railway Company, Norfolk & Western Railway Company, and others.

REPORT OF THE COMMISSION.

HALL, Commissioner:

The complaints in these proceedings put in issue the lawfulness of the class rates from points in defined eastern and New England territories to Washington, D. C., and the class rates from Washington to points in the Carolinas and other southern territories. In both proceedings it is alleged that the rates to Washington are unreasonable, and that their effect is to subject Washington to undue and unreasonable prejudice and disadvantage as compared with Baltimore, Md., Richmond, Va., and other points. In No. 6058 the rates from Washington to the south are attacked for substantially similar reasons.

Complainants further allege that the rates are higher to Washington than to Richmond, and that the rates from Washington to the South exceed the aggregates of the intermediate rates, in violation of section 4 of the act.

At the hearing it was agreed by all parties that the complaints in both proceedings should be considered and decided together. Petitions of intervention were filed, without objection, by a number of business men, corporations, and firms of Washington.

1. From defined eastern and New England territory the first four classes of freight, with certain specified exceptions, were for many years accorded store-door delivery at Washington. On freight from New England the service dates back as far as 1883. On freight from New York, Philadelphia, and other eastern points the service began later. A similar service embracing the first three classes of freight, with like exceptions, was also maintained at Baltimore, where it was established in 1867.

On September 1, 1913, this store-door delivery was withdrawn by the carriers at both Washington and Baltimore, without change in the rates as to the classes it embraced. The withdrawal was occasioned by, and was in compliance with, the decision and order of this Commission in the case of *Washington, D. C., Store-door Delivery*, 27 I. C. C., 347. A history of the service at Washington is given in our report in that case.

2. The cost of the service to the carriers is not definitely shown, but the average for the four classes in recent years was perhaps about 5 cents per 100 pounds. Complainants contend that the withdrawal of the service was the equivalent of an increase of freight rates, and that the burden of proof rests upon the carriers to justify such increase. A similar question arose in *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.*, ante, p. 388, wherein the rates to Baltimore for the first three classes from the same eastern and New England territories were involved. In that case we held that to the extent of

the reasonable cost of store-door delivery as formerly maintained, the burden was upon the carriers to justify its withdrawal and the consequent increase of cost to shippers. The same principle applies in this case.

When the service was first established at Washington the facilities for station delivery were meager, and the showing put in evidence is to the effect that the carriers found it necessary to either enlarge their freight stations or adopt the store-door method of delivery. A witness for the Pennsylvania lines, who spoke from personal knowledge of the beginning of the service, testified with respect thereto as follows:

It was inaugurated on account of the acute congestion of the freight station, which at that time was very small, and the freight had outgrown this small freight station. The house was so congested that it was impossible to get freight out and wait for the consignee to call for it. The management finally decided to adopt the same delivery that was in effect in Baltimore, and therefore they made that arrangement with the Knox Express Company to handle it.

The witness stated that he was present when the service was first installed at Washington and that no change was made in the freight rates.

Another witness testified, in substance, that the original purpose of the service was to relieve congestion at the freight stations and avoid the expense necessary to provide for station delivery, and that the arrangement at Washington followed very closely that at Baltimore, except that it embraced four instead of three classes.

Why the store-door delivery service was accorded only to freight from a restricted territory and was withheld as to freight from all other territories is not explained on any theory of public interest. The record discloses no satisfactory reason why the service should not have been extended alike to freight from all points.

The same witness testified that, after careful inquiry and examination, he could not find that any change had been made in the rates when the service was inaugurated. This witness further stated that in 1883 the rates embraced the first four classes only, and that from New York to Washington they were 55 cents first class, 45 cents second class, 30 cents third class, and 25 cents fourth class. The tariff files of the Commission show that these rates were greatly reduced in 1887, when rates were first published on all six classes. In 1893 the rates were increased somewhat. In 1902 there was a reduction as to all the classes.

The present class rates, in cents per 100 pounds, from New York and Boston to Washington are as follows:

Class-----	1	2	3	4	5	6
New York-----	37	31	28	20	15.5	13
Boston-----	45	39	34	27	22	20

The rates from Philadelphia to Washington are on the same relative basis and have been in effect without change since 1893, and without material change for a longer period.

As representative of the general situation the rates from Boston and New York are chiefly relied on. These rates have been in effect without material change since 1893 from Boston and since 1903 from New York. In neither case is the difference between the rates on the fourth and fifth classes so marked as to indicate an unusual augmentation of the first four classes over the last two. It is to be observed that from Boston the spread between the third and fourth classes is 7 cents, and between the fourth and fifth classes 5 cents; from New York the spread between the third and fourth classes is 6 cents, and between the fourth and fifth classes 4½ cents. There is nothing abnormal in this situation.

Respondents refer to the New York-Chicago scale of class rates for purposes of comparison. It is as follows:

Class ----	1	2	3	4	5	6
Rates----	75	65	50	35	30	25

The first-class rate is just three times the amount of the sixth-class rate, and respondents insist that as compared with this scale the rates in question do not indicate an unnatural adjustment. The first-class rates from New York are less, and from Boston are considerably less, than three times the sixth-class rates. This is true generally of the rates here involved, but it is not true of rates to Washington from many points whose freight was not entitled to store-door delivery, included in tables filed by complainants, some of which are shown below :

From—	Miles.	1	2	3	4	5	6
Pittsburgh, Pa.....	295	37	31	27	18	15	12
Scranton, Pa.....	260	37	31	27	18	15	12
Altoona, Pa.....	255	36	30	26	17	14	11
Johnstown, Pa.....	246	36	30	26	17	14	11
Wilkes-Barre, Pa.....	242	37	31	27	18	15	12
Fairmont, W. Va.....	276	37	31	27	18	15	12

From each of these points the first-class rate to Washington is more than three times the sixth-class rate. The differences in the rates between the third and fourth classes from Boston and New York are 7 cents and 6 cents, respectively, whereas from Pittsburgh and the other points named the difference is uniformly 9 cents. These comparisons do not support the view that the rates from Boston, New York, and other points from which freight was entitled to store-door delivery were increased to cover the cost of the delivery service.

Between Washington and Baltimore there were two scales of rates prior to September 1, 1913, one on a basis of 22 to 13 cents and the other on a basis of 15 to 7 cents. This is explained by the fact that the higher scale was applied in connection with a fast-freight service, and included collection at point of origin and delivery at destination, which the lower scale did not include.

Complainants compare the class rates from a number of eastern and New England points to Washington with the class rates from the same points to Richmond. Representative illustrations are shown in the following table:

	1	2	3	4	5	6
From Boston to—						
Richmond.....	45	39	34	30	25	22
Washington.....	45	39	34	27	22	20
From New York to—						
Richmond.....	37	32	26	23	17	14
Washington.....	37	31	26	20	15.5	13
From New Haven to—						
Richmond.....	45	39	34	30	25	22
Washington.....	45	39	34	27	22	20

Complainants insist that as the differences between the rates for the first three and the last three classes to Washington are greater than between the same classes to Richmond, there must have been provision in the rates for the first three classes to Washington to cover the cost of store-door delivery there. They seem to lose sight of the fact that the service at Washington embraced the first four classes, and not the first three only. If there is anything in the contention it should hold as well with respect to the rates for the fourth class as for the first three classes. It is observed that as to the first three classes the rates are the same to both Washington and Richmond, except the difference of 1 cent on the second class from New York. We do not think the comparisons have any real tendency to prove what is claimed for them.

By further comparisons complainants show that the class rates from many eastern and New England points are lower to Washington than to Richmond, and on freight from these points they say store-door delivery never applied. But even if the latter were conceded, the situation would not prove as to the rates in question that those for the first three classes to Washington were made higher than they would have been but for store-door delivery. The distance by rail is 116 miles less to Washington than to Richmond, and it is not unnatural that the all-rail rates from many points should be lower to Washington than to Richmond. Rates from points in New England, taking Bath, Sherbrooke, and Brunswick bases, are among

those referred to in this connection. From these points the rates to Washington and Richmond are as follows:

	1	2	3	4	5	6
From Bath basis to—						
Washington.....	57	48	40	30	25	21.5
Richmond.....	65	55	45	35	30	25
From Sherbrooke basis to—						
Washington.....	57	48	40	30	25	21.5
Richmond.....	65	55	45	35	30	25
From Brunswick basis to—						
Washington.....	57	48	40	30	25	21.5
Richmond.....	65	55	45	35	30	25

It was expressly stated on behalf of complainants that these rates are properly adjusted on all six classes, and yet the tariffs on file with this Commission show that store-door delivery at Washington applied to the first four classes of freight from each and all of said points. There is no claim that the cost of the delivery service was included in these rates, either for the first three classes or for the first four. On the contrary, the argument is based on the theory that the service did not apply to freight from any of said points. In this complainants are mistaken.

To support their claim that the rates for the last three classes are unreasonable, complainants refer to the class rates in effect from a number of interior points in Pennsylvania and elsewhere from which the rates for the last three classes are somewhat lower than from the eastern and New England points. But these comparisons are not persuasive. Certainly they do not prove that the rates in question are unreasonable.

In *Merchants & Mfrs. Asso. v. B. & O. R. R. Co., supra*, we had under consideration the class rates to Baltimore from these same eastern and New England points. The matter of store-door delivery was involved there as here, except in the number of classes to which it applied. In most respects the facts of that case as to the reasonableness of the rates were substantially the same as in the present case. We held that the carriers were warranted in the withdrawal of store-door delivery, and found that the rates were not shown to be unreasonable. Many of the matters now urged upon our attention were fully considered in that case. We find nothing in the record to justify a ruling on the question of the reasonableness of the rates here involved different from that announced in the Baltimore case.

On the question of discrimination complainants rely in part upon the fact that in many instances the aggregates of the intermediate rates from the eastern points to the south, based on Washington combinations, are greater than when based on Baltimore or Richmond

combinations. But if it were conceded that in this situation there is unjust discrimination against Washington in favor of Baltimore and Richmond it would not necessarily follow that the discrimination would be due to unlawfulness in the rates to Washington. This matter is further considered in a later part of this report, which deals with the rates from Washington to the south.

3. Another feature of the alleged discrimination arises from the fact that all the rates to Washington are governed by official classification, whereas the rates to Richmond from some of the same points are governed by southern classification. On many articles of freight the official classification carries higher ratings than the southern, and this frequently results in higher transportation charges to Washington than to Richmond. The carriers participating in these rates applied for relief from the long-and-short-haul rule of the fourth section of the act, and their application was heard in connection with these proceedings.

The rail rates from New York, with slight exceptions as to the last three classes, are the same numerically to both Washington and Richmond, and this is true of the rates from Boston. On freight from New York to Richmond the southern classification governs under some tariffs and the official classification under others. The southern classification also governs from a number of other New York points and from numerous points in New Jersey. On commodities which carry the lower ratings of the southern classification the freight charges from such points to Richmond are lower than to Washington.

The rail carriers claim that the lower rates to Richmond are due to water competition. They show that the distance by water from New York to Richmond is about 80 miles less than to Washington, whereas the distance by rail is about 116 miles greater. The water rates from New York to Norfolk, Richmond, and Washington are the same, with slight differences in some of the intermediate classes, and are on a scale of 32 to 12 cents. The rail carriers maintain the same rates to Norfolk as the water carriers, but to Richmond and Washington the rail rates are certain differentials over the water rates, varying from 5 cents first class to 2 cents sixth class. This was said to be due to the fact that to Norfolk the water route is the shorter and the service very expeditious, whereas traffic by water to Richmond or Washington has to be transferred at Norfolk, which retards the service and affords opportunity for higher rates by rail.

The rail carriers say they can not meet water competition at Norfolk at rates higher than the water rates, but they can in some measure meet such competition at Richmond and Washington on the

scale of rates now in effect. If it were not for the fact that the rates to Washington are governed by one classification and those to Richmond by another, the two points would be on practically the same rate basis from New York as well as from Boston.

The evidence shows that the rates to Richmond are affected by water competition, but the same is true of the rates to Washington; and we do not think the record furnishes justification for lower rail rates to Richmond than to Washington on account of such competition.

Washington is intermediate to Richmond on the all-rail routes from New York. It is not shown that water competition is enough stronger, if stronger at all, at Richmond than at Washington to justify a difference in the all-rail rates in favor of Richmond. That portion of fourth section application No. 1781 which asks authority to continue lower rates to Richmond than to Washington on the several classes of freight from New York and other eastern points will be denied. An order to that effect will be entered.

Reparation is asked on past shipments under the higher rates to Washington, but under the authority of the case of *Appalachia Lumber Co. v. L. & N. R. R. Co.*, 25 I. C. C., 193, 197, reparation can not be allowed. See also *Janesville Clothing Co. v. C. & N. W. Ry. Co.*, 26 I. C. C., 628, 630.

4. Complainants showed that the rates from Washington to the Carolinas and the southeast are in many instances higher than the aggregates of the intermediate rates based on Alexandria. This situation is embraced in applications by the southern carriers under the fourth section of the act, which applications were set down for hearing in connection with these proceedings. Counsel for the Southern, the Washington Southern, and the Richmond, Fredericksburg & Potomac railways appeared at the hearing and announced the intention of these lines to publish as soon as practicable all-rail rates from Washington to the southern points here involved, the same as the Baltimore water-and-rail rates to such points. After the hearing the Atlantic Coast Line informed the Commission that it would "also establish from Washington to points in the Carolina territory rates all rail the same as from Baltimore to the same points via rail and water." No evidence was offered to justify the present adjustment, and in the face of the lower combinations of intermediate rates such adjustment necessarily falls within the condemnation of the statute, and the through rates are to that extent unlawful. The proposed readjustment when put into effect may entirely remove this unlawfulness. Counsel for complainants have expressed satisfaction with it.

Within the last few days a supplement to the tariff covering rates from Washington to the south has been filed, to become effective

June 15, 1914, apparently in accordance with the proposition made at the hearing. From a cursory examination of this tariff it appears that in many instances the through rates from Washington to points in the south will be considerably lower than the aggregates of the intermediate rates based on Alexandria. It also appears that this new adjustment, when it becomes effective, will remove the discrimination as to lower combination rates from eastern points to the south via Baltimore than via Washington. It will likewise very materially relieve the situation complained of in this respect as compared with Richmond. The combination rates to the south based on Richmond will still be somewhat lower than like combinations based on Washington; but, upon the record now before us, we do not find that the difference in favor of Richmond will be disproportionate.

Under the circumstances, no order will be made with respect to the rates from Washington to the south at this time. The proceedings will be held open for a reasonable time after the effective date of the tariff referred to, in order to afford opportunity to shippers to become acquainted with the operation of the new schedules. If it should be developed that the relief is not in all respects what the law demands, the facts may be brought to the attention of the Commission with a view to such further relief as may be deemed proper.

Reparation is asked on past shipments as to this branch of the case, but no evidence of shipments, or of damage to shippers, has been submitted. The readjustment referred to will not warrant reparation beyond the basis of the aggregates of the intermediate rates. Whether Washington shippers are entitled to reparation for the difference between the rates paid by them and the aggregates of the intermediate rates in effect at the time their shipments moved will be determined after opportunity has been afforded for the submission of evidence on that question, and the proceedings will be held open for that purpose also.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 6052.
JUDD & DETWEILER, INCORPORATED,
v.
BALTIMORE & OHIO RAILROAD COMPANY ET AL.

Submitted May 6, 1914. Decided May 19, 1914.

On the facts of record, following *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.*,
ante, page 388, *Held*:

1. That defendants were warranted in their withdrawal of store-door delivery at Washington, D. C., which, with certain exceptions, embraced the first four classes of freight from defined eastern and New England territory.
2. That complainant's allegations in other respects are not sustained. Complaint dismissed.

J. B. Daish and *J. R. Hoover* for complainant.

W. C. Coleman for Baltimore & Ohio Railroad Company.

Henry Wolf Bickl  for Pennsylvania Railroad Company and affiliated lines.

REPORT OF THE COMMISSION.

DANIELS, Commissioner:

Complainant is a corporation engaged in the printing and publishing business at Washington, D. C. By complaint, filed September 3, 1913, it assails as unreasonable, unjustly discriminatory, and unduly prejudicial the rates charged by defendants for the several classes of freight from Boston, Mass., New York, N. Y., and Philadelphia, Pa., to Washington. At a subsequent date several other corporations and a number of individuals and firms of Washington were permitted to intervene, but no evidence was offered by them.

The rates assailed are, in cents per 100 pounds, as follows:

From—	Miles.	1	2	3	4	5	6
Boston.....	446	45	39	34	27	22	20
New York.....	228	37	31	26	20	15½	13
Philadelphia.....	135	28	25	20	16	13	11

From the points named, and from other eastern and New England points, the first four classes of freight, with certain specified exceptions, for many years were given store-door delivery by the carriers only within certain prescribed limits at Washington. A similar service had been accorded by the same carriers at Baltimore, Md., as to the first three classes, with certain exceptions.

The matter of store-door delivery at Washington has been several times before this Commission: *Casassa v. P. R. R. Co.*, 24 I. C. C., 629; *Anacostia Citizens Asso. v. B. & O. R. R. Co.*, 25 I. C. C., 411; and *Washington, D. C., Store-door Delivery*, 27 I. C. C., 347. In the case last cited we held that to discontinue the service at Washington while maintaining the same kind of service at Baltimore would cause undue discrimination, and our order required its continuance at Washington so long as maintained at Baltimore. To comply with our order the carriers withdrew the service at both Baltimore and Washington, and the withdrawal became effective September 1, 1913.

The chief contention by complainant is that the discontinuance of the service, without change in the rates, was tantamount to an increase in the freight charges on the first four classes, and that the present rates for those classes are unreasonable to the extent of such increase. It is also contended that the rates for all the classes are unreasonable and unjustly discriminatory when compared with rates for similar distances between other points in the same general territory.

Store-door delivery was first established at Washington in March, 1883. Facilities for station delivery were then very meager, and it was said the carriers found it necessary either to enlarge their freight stations or to adopt the store-door method of delivery. A witness for the Pennsylvania lines, from personal knowledge of the beginning of the service, testified with respect thereto as follows:

It was inaugurated on account of the acute congestion at the freight station, which, at that time, was very small, and the freight had outgrown this small freight station. The house was so congested that it was impossible to get freight out and wait for the consignee to call for it. The management finally decided to adopt the same delivery that was in effect in Baltimore, and therefore they made that arrangement with the Knox Express Company to handle it.

There is other testimony to the effect that the original purpose was to relieve congestion at the freight stations, and to avoid the expense necessary to provide for station delivery. Why such delivery was confined to freight originating in a defined territory, rather than accorded to freight irrespective of its origin, is not satisfactorily disclosed of record. Had the service been universally accorded, the alleged cause for the introduction of free delivery would be less open to doubt.

The record, however, is devoid of evidence to show that upon the institution of store-door delivery in Washington, there was an offsetting increase in the rates. At the same time the positive evidence that there was no such increase rests upon the recollection of a single witness. It is perhaps wisest to say that the record upon this point

is meager, but indicates that whatever caused the institution of the free delivery, no contemporaneous increase of rates was made.

The record reads as follows:

Mr. BIKLÉ. Were you connected with the Philadelphia, Baltimore & Washington Railroad when the practice of store-door delivery was begun in Washington?

Mr. BOWIE. Yes; I was with the company when the store-door delivery was inaugurated in March, 1883.

Mr. BIKLÉ. Have you a personal recollection of the inauguration of the practice?

Mr. BOWIE. Yes, sir; I made the first delivery of free-delivery freight to the Knox Express.

Mr. BIKLÉ. Have you any recollection as to whether the rates were raised in 1883 from or to Washington?

Mr. BOWIE. No; not raised. Some years later—I am not quite sure when—they were reduced.

The evidence is not definite as to the cost of the delivery service to the carriers. The average was about 5 cents per 100 pounds, including clerk hire and station or platform work in connection with it. In recent years the carriers have made large and extensive improvements in their terminals at Washington. These improvements were well advanced toward completion in 1910; and it was said that store-door delivery could have been withdrawn at an earlier date than September 1, 1913, without serious inconvenience to shippers as regards the delivery of freight.

The service at Baltimore was established in 1867, and at Washington the arrangement, which began in 1883, followed closely that at Baltimore, except that it embraced four classes instead of three. In 1883 rates were issued by the Pennsylvania lines in four classes only. From New York to Washington they were 55 cents first class, 45 cents second class, 30 cents third class, and 25 cents fourth class. In 1887 rates were published in six classes from New York to Washington on a basis of 35 cents first class and 13 cents sixth class. In 1903 the present scale was published, as follows:

Class....	1	2	3	4	5	6
Rate....	37	31	26	20	15.5	13

There is nothing in these adjustments seeming to indicate that the cost of store-door delivery was provided for. The interclass relation of the rates tends to support the contrary view. The spreads between the fourth and fifth classes have uniformly been less than between the higher classes. The rates are substantially the same to-day as they have been for more than 20 years, and this is likewise true of the Boston and Philadelphia rates. It is to be further observed that the spread between the present rates for the fourth and fifth classes is 5 cents from Boston, 4.5 cents from New York, and 3 cents from Philadelphia. As to all the classes the average spread from Boston is 5 cents, from New York 4.8 cents, and from Philadelphia 3.4 cents.

The spreads between the fourth and fifth classes and the average spreads as to all the classes are the same from Boston, and vary only a fraction of a cent from the other two points. These spreads do not quantitatively support the theory of a hump in the rate structure as to the first four classes to cover the cost of the delivery service.

Defendants refer to the New York-Chicago scale of rates as in their opinion a reliable basis for purposes of comparison of the normal quantitative relationship of the rates for various classes. The scale is as follows:

Class....	1	2	3	4	5	6
Rate....	75	65	50	35	30	25

It is to be observed that the first-class rate is just three times the sixth-class rate. Defendants say this is a normal relation, and they insist that compared therewith, the rates in question do not indicate any unusual hump in the rate structure of the first four classes. In each instance the first-class rate is less than three times the sixth-class rate.

This ratio between rates for first class and sixth class is not exactly true, however, of rates to Washington from points whose freight was not entitled to store-door delivery, as shown in the following table:

From—	Miles.	1	2	3	4	5	6
Pittsburgh, Pa.....	295	37	31	27	18	15	12
Scranton, Pa.....	260	37	31	27	18	15	12
Altoona, Pa.....	255	36	30	26	17	14	11
Johnstown, Pa.....	246	36	30	26	17	14	11
Wilkes-Barre, Pa.....	242	37	31	27	18	15	12
Fairmont, W. Va.....	276	37	31	27	18	15	12

From each of the points named the first-class rate to Washington is more than three times the sixth-class rate. It is also to be observed that the differences in the rates as between the fourth and fifth classes are but slight.

From Boston and New York the differences in the rates between the third and fourth classes are 7 cents and 6 cents, respectively, whereas from Pittsburgh and the other points in the table the differences as to the same classes are considerably greater. These comparisons do not support the view that the rates on the first four classes from Boston, New York, and Philadelphia were augmented to cover the cost of store-door delivery.

It is in evidence that there were prior to September 1, 1913, two scales of rates in effect between Baltimore and Washington, one on a basis of 22 to 13 cents and the other on a basis of 15 to 7 cents. This was explained by the fact that the higher scale included the double service of collection at one point and delivery at the other. The higher scale was further explained by testimony to the effect that

there existed between Baltimore and Washington what was known as "the Washington Fast Freight Line," which was operated by transfer companies in either city in conjunction with the railroad, and that the higher scale applied only to this expedited service.

The issues in this case are analogous to those in *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.*, ante, p. 388. The class rates between New York and other eastern points on the one hand, and Baltimore on the other, were there attacked. The matter of store-door delivery was involved there as here, except as to the number of classes to which it applied. Reliance was had in that case as in this upon a letter from a traffic official of the Pennsylvania lines to the Philadelphia Chamber of Commerce, dated April 14, 1910, which contained a statement relating to store-door delivery at Baltimore, in part as follows:

This condition has existed for some thirty-odd years, it having been in effect when we took over the old Philadelphia, Wilmington & Baltimore Railroad, and in looking into the matter many years ago we discovered that the rates were adjusted by adding to the then railroad rates to Baltimore rates per 100 pounds for cartage, which rates were furnished by responsible transfer companies in Baltimore; this being necessary owing to the water lines making delivery. This free delivery covers restricted territory.

Nothing was said in the letter with respect to the Washington situation; and even if it be true that when the service was inaugurated at Baltimore in 1867 the rates were adjusted by adding the cost of cartage, it would not necessarily follow that the same thing was done when the service was established at Washington 16 years later.

In the Baltimore case we held that the carriers were warranted in the withdrawal of store-door delivery, and we declined to disturb the rates there involved, which included the class rates from Boston, New York, and Philadelphia to Baltimore. The rates to Washington are made by adding the usual differentials, Washington over Baltimore. As to the lawfulness of these differentials no question is raised. Except as above pointed out, the facts of this case are the same in all material respects as in the Baltimore case, and we find nothing in the record to justify a conclusion different from the one announced in that case. The principal matters now urged upon our attention are fully discussed in the Baltimore case, and it would serve no useful purpose to repeat here the discussion of them.

It is proper to observe that in the matter of facilities for station delivery the present situation at Washington is superior to that at Baltimore. Because of the improvements of recent years in the terminals at Washington, the change from the former service to the ordinary and usual method of station delivery was readily accom-

plished without congestion or unusual delays. A Washington freight agent of the Pennsylvania lines testified on this subject as follows:

I had anticipated that we would have some trouble at the beginning of the new arrangement; that is, the dropping of free delivery, before the consignees had made their contracts with the drayage companies, but much to my satisfaction and gratification, we handled the business last year easier than any time in the past.

In the Baltimore case it appeared that immediately following the withdrawal of the service there was congestion at the freight stations which for a time was of a serious nature; and we there took occasion to emphasize the duty of the carriers to provide adequate terminal facilities so as to enable them promptly to meet all reasonable demands under the changed conditions.

Upon consideration of all the facts of record we do not find that the rates here in question are unreasonable, or that their effect is to subject complainant to unjust discrimination or undue prejudice. The complaint must be dismissed, and it will be so ordered.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 241.
CALIFORNIA-COLORADO LUMBER RATES.

Submitted March 14, 1914. Decided May 5, 1914.

From the facts of record herein it appears that the respondents have justified the increase in rates in question. As the Southern Pacific rates have already become effective, no order will be made as to that carrier; but as the Santa Fe rates are still under suspension, an order of vacation will be issued.

F. T. Westfall for various lumber companies.

Henry Riddiford for Wholesale Lumber Dealers' Association of Los Angeles, Cal.

C. W. Durbrow for Southern Pacific Company.

P. P. Hastings for Atchison, Topeka & Santa Fe Railway Company.

D. M. Swobe for McCloud River Railroad Company.

Seth Mann for San Francisco Chamber of Commerce, Intervener.

REPORT OF THE COMMISSION.

HARLAN, Chairman:

Certain tariffs increasing the rates on lumber from northern California to points south and east and restricting the routing were suspended by the Commission in this proceeding. The purpose of one issue of tariffs was to close the El Paso and Deming gateways to lumber originating at points in California north of Santa Barbara and Mojave and destined to Colorado common points, and to restrict the movement to the route by way of Ogden. It is contended by the protestants that the closing of those gateways was planned to pave the way for an increase in rates from the north to El Paso, which could not be brought about so long as the rates to Colorado were applicable by way of El Paso. This prediction was verified by subsequent events, as the Southern Pacific Company soon published supplements to their tariffs which quote higher rates on lumber from California to points in Arizona, Nevada, New Mexico, and Texas north of El Paso; and these tariffs increase the charges to El Paso and adjacent territory from \$8 to \$10 per ton.

The tariffs mentioned, being those of the Southern Pacific, have now become effective because of the expiration of the period covered by the suspension order. There are also suspended in this proceeding tariffs issued by the Santa Fe and agent Gomph, which carry

higher rates from California to El Paso and points east and north thereof, and those rates are still under suspension.

The justification put forward by the Southern Pacific Company for the increase in the rates from San Francisco to El Paso and other southern points is as follows: Prior to February, 1911, a rate of \$10 per ton was in effect from points north of Santa Barbara and Mojave to stations on the direct line of the Southern Pacific in New Mexico and Arizona and as far east as El Paso. In the latter part of 1910 and the early part of 1911 the Southern Pacific Company attempted to remove, as far as practicable, all violations of the amended fourth section, and in making a check of the tariffs for that purpose it was observed that, technically, a rate of \$8 per ton from northern California to Colorado common points was applicable through the Deming gateway in connection with the Santa Fe, or through the El Paso gateway in connection with the Santa Fe or the El Paso & Southwestern. In order to avoid the fourth section violation the Southern Pacific Company therefore reduced the rates to the intermediate points to \$8 per ton. When that rate to the Colorado destinations was canceled by way of El Paso the fourth section difficulty was removed, and the former rate of \$10 was restored by the tariffs now under consideration. This rate applies both from Portland and San Francisco, respectively, 1,937 and 1,283 miles distant from El Paso. The rate from San Francisco is carried back in Arizona as far as Vail, which is 990 miles from San Francisco and 1,644 miles from Portland. To stations west of Vail the \$10 rate from San Francisco is graded, the rate to Esmond, the first station west of Vail, being \$9.60, and the rate to Yuma, \$8.60. The \$10 rate from Portland, however, applies to Yuma and stations east thereof, so that in this territory San Francisco has an advantage of from 40 cents to \$1.40. The rates from San Francisco to points of destination on the lines of the El Paso & Southwestern, extending north to Dawson, N. Mex., including branch lines, and to stations on the New Mexico Central and St. Louis, Rocky Mountain & Pacific have been increased from \$8 to \$10. No through rates are published to these destinations from Portland through El Paso, and the combination of intermediate rates makes rates higher than those applicable there from San Francisco or the through rates from Portland applicable via Ogden. Under both the former and the revised rates, therefore, San Francisco enjoys an advantage from Portland to these destinations.

The shippers contend that the rate of \$10 per ton from San Francisco is too high for the reason that the same rate is in effect from Portland to the same destinations, although Portland is 654 miles north of San Francisco. San Francisco still retains an advantage

to some stations under the increased rates, but to a large number of destinations, including El Paso, the rate from Portland is now the same. It is stated that shipments from Portland must cross the Siskiyou Mountains, involving an operating expense that does not obtain on shipments from San Francisco; and when both distance and operating conditions are considered it is contended that the rate from San Francisco should be less than from Portland. To this the respondent replies that it has now under consideration the question of increasing the rates from points in Oregon; and it insists that the higher rates from northern California are reasonable and those from Portland too low. The protestants assert that but one-third of the lumber sold in Arizona is from California, the balance originating in Washington and Oregon or being of local production; and it is claimed that this condition is due to the improper relation of the rates as between Washington and Oregon points and San Francisco and the ports of Los Angeles and San Pedro. It is asserted that if any change is made in the rates it should be a reduction in the rates from southern California, leaving San Francisco at a differential under Portland.

There is much force in the contention of the protestants that the rates from San Francisco to the south should be maintained upon a somewhat lower basis than those from Portland. The distances are materially less and the operating conditions are more favorable, and for those reasons it would appear that an advantage should lie with San Francisco. Upon this record, however, we do not find that the rates provided in these tariffs from San Francisco are unreasonable. The Commission has established rates in other parts of this western territory which yield from 8 to 14 mills per ton per mile, and those now under consideration yield from 6 to 10 mills per ton per mile. It appears that the larger part of the lumber traffic does not move to the main-line points on the Southern Pacific but to the mining towns located on branch lines. Through rates are usually made to such points slightly lower than the combination of the local rates, and no increase is contemplated in those rates at this time.

The only objection advanced by the protestants against the closing of the Deming and El Paso gateways was the possible effect it might have in the matter of securing equipment because of the carriers' return loading agreement, under which cars must be routed directly to the home line. This, however, does not constitute a sufficient ground for condemning the action of the Southern Pacific Company in restricting the movement of lumber originating north of Santa Barbara and Mojave to the route by way of Ogden. It appears from the evidence that the movement by way of the Ogden gateway is the natural route to Colorado common points, because the distance

is materially less than through El Paso. Furthermore, the El Paso and Deming routes are not utilized by shippers over the Southern Pacific for traffic to Colorado destinations, and we can therefore see no valid reason for requiring their maintenance by that respondent.

Upon all the facts of record we are of the opinion, and so conclude and find, that the respondents have justified the increase in the rates in question. As heretofore stated, the Southern Pacific rates have already become effective, but the Santa Fe rates are still under suspension by reason of our order. As to those rates the order must therefore be vacated.

An order in accordance herewith will be entered.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 367.
PROPORTIONAL RATES ON COAL FROM OHIO COAL
FIELDS TO MISSISSIPPI RIVER CROSSINGS.

Submitted April 23, 1914. Decided May 11, 1914.

The cancellation of the proportional rate of \$2.10 per net ton from the Ohio coal fields to the upper Mississippi River crossings, applicable on bituminous coal destined to points west thereof, not justified.

James A. Fenelon for Clark Coal & Coke Company, protestant.

F. B. Townsend for Minneapolis & St. Louis Railroad Company.

D. P. Connell for New York Central lines.

F. V. Davis for carriers parties to the suspended tariff.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

The tariff involved in this proceeding, the operation of which has been suspended until September 12, 1914, is supplement No. 2 to I. C. C. No. 29 of *F. V. Davis*, agent, and its effect would be to cancel a proportional rate of \$2.10 per net ton from the Ohio coal fields to the upper Mississippi River crossings, applicable on bituminous coal destined to points west thereof.

The usual basis of rates on bituminous coal from the Ohio fields to territory west of the Mississippi River is combination on Chicago, Ill., or St. Louis, Mo. The local rate to the former from a majority of the mines in that state is \$1.65 per net ton. The local rate to the latter, \$2.10, for a number of years has been carried to the upper Mississippi River crossings as a proportional on traffic destined to points west of the river. The lines from Peoria, Ill., publish proportional rates from their respective Mississippi River crossings to interior Iowa which generally are lower than the local rates from Chicago by 45 cents, the amount which the proportional rate to the river exceeds the local rate to Chicago, thus equalizing rates via these routes. In this way the Minneapolis & St. Louis Railroad, the only line serving Peoria and interior Iowa which has not a direct line from Chicago, is enabled to participate in the traffic. The local rate from the Ohio mines to Peoria is \$1.85 per net ton, and the rates from that point and from Chicago to points in Iowa on the Minneapolis & St. Louis are the same; consequently the combination on the former is 20 cents per ton higher than on the latter and the effect

of the suspended tariff would be to divert through Chicago such bituminous coal as now moves through Peoria.

The reason assigned by the respondents for the cancellation is the demand, made first by the Rock Island and later by other lines, as a condition to the continuance of this proportional rate, that there be included in the tariff about three pages of restrictive matter, the purpose of which is to prevent the use of such rate in a way to make lower charges than the combination on Chicago or St. Louis. The respondents did not feel justified in incurring the expense of reprinting the tariff with the additional matter, as after investigation they reached the conclusion that it was of no value either to the originating carriers or to the public. With the exception of the Baltimore & Ohio, which does not reach Peoria and which had previously limited the application of the rate in question via South Chicago, the respondents express no objection to continuing the proportional if it appears necessary in order to properly serve the public.

The Clark Coal & Coke Company, of Peoria, protested the cancellation mainly on the following grounds: The practice of this company is to bill coal to Oskaloosa or Marshalltown, Iowa, and later re-consign it, the Minneapolis & St. Louis allowing three days free time for this purpose. About 90 per cent of the coal handled by this protestant is sold while en route, and if it could not be routed through Peoria in connection with the Minneapolis & St. Louis, which has about 800 miles of line in Iowa and serves most of its principal cities, but had to move via Chicago, the protestant would lose to a great extent the benefit of this privilege and consequently would suffer loss of business. In addition it is claimed that the traffic is subject to considerably greater delays when billed through Chicago, due to the frequency of congestion in the yards at that point.

The position of the Minneapolis & St. Louis is practically that of a protestant, for with the cancellation of this proportional rate it will be able to participate in this traffic, it states, to but a limited extent, its participation depending upon the equalization of rates via the two routes and the reconsigning privilege referred to.

Upon consideration of the facts of record we are of opinion that the carriers have not justified the proposed cancellation. An order will therefore be entered requiring the respondents to cancel the suspended tariff and to maintain the proportional rate in question as a maximum for a period of not less than two years.

Commissioner CLARK took no part in the decision of this case.

80 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 313.
RATES ON COTTON AND COTTON LINTERS.

Submitted March 12, 1914. Decided May 11, 1914.

The proposed withdrawal by respondents of concentration privilege at Little Rock, Conway, and Morrillton, Ark., on cotton from points on the Arkansas Central Railroad and the restriction in that respect of shippers to Fort Smith and Van Buren, Ark., found not to have been justified.

Fred G. Wright for St. Louis, Iron Mountain & Southern Railway Company.

Wallace Townsend for protestants.

REPORT OF THE COMMISSION.

McCHORD, *Commissioner*:

This case involves rates on cotton and cotton linters from Paris, Scranton, and other points in Arkansas to Little Rock, Morrillton, and Conway, Ark., to be concentrated and reshipped to interstate destinations. The points of origin herein are on the Arkansas Central Railroad, which connects with the Fort Smith and Little Rock division of the St. Louis, Iron Mountain & Southern Railway. The distance from Scranton to Fort Smith is 60 miles, and from Paris, 46 miles. Conway and Morrillton are 40 and 50 miles, respectively, west of Little Rock. The purpose of the suspended tariff, supplement No. 12 to Missouri Pacific-St. Louis, Iron Mountain & Southern I. C. C. No. 2159, which publishes through rates from points of origin in Oklahoma, Arkansas, Louisiana, and Missouri to interstate destinations generally, is to eliminate the concentration privilege at Morrillton, Conway, and Little Rock and to restrict shippers to Fort Smith and Van Buren, Ark.

Concentration was inaugurated at Little Rock and Morrillton from Arkansas Central points on September 1, 1911, and at Conway on October 5, 1912, partly as a result of higher prices paid by buyers at Little Rock than by buyers at Fort Smith, the consequence of which was that cotton could be profitably sold to Little Rock dealers, hauled to a point like Ozark, Ark., on the St. Louis, Iron Mountain & Southern or to Magazine and Booneville, on the Chicago, Rock Island & Pacific, at a cost of 90 cents a bale, and shipped thence to Little Rock. The privilege of concentration was allowed at Little

Rock, Conway, and Morrilton at the instance of producers and dealers on the Arkansas Central, but the advantage was mutual inasmuch as it enabled the St. Louis, Iron Mountain & Southern to hold to its line a considerable volume of cotton which theretofore had moved over the Chicago, Rock Island & Pacific, estimated to have been 10,000 bales during one season. The respondents state that the action was reluctantly taken on account of the added burden imposed on its facilities to care for this rush traffic at a time when other traffic moved in heavy volume. Subsequently, desiring to discontinue the long haul on uncompressed cotton to Little Rock, a conference was held in June, 1913, between respondents' representative and cotton dealers, compress, banking, and other interests at Fort Smith, and upon assurances from them that as to prices and other matters affecting the marketing of cotton there would be no cause for just complaint for the current season, action as heretofore stated was taken; whereupon protests were entered by producers, shippers, and merchants along the line of the Arkansas Central Railroad and by the Merchants' Freight Bureau, Chamber of Commerce, and Board of Trade of Little Rock.

A motive in the withdrawal of concentration at Little Rock was the desire for conservation of equipment, it being stated that at certain seasons of the year there is such a heavy movement of cotton that it is impossible for the carriers to furnish adequate equipment to move it, entailing danger from fire to cotton stored on platforms and right of way and damage incident to exposure to the elements. The basis of the protest was that if the concentration privilege at Little Rock, Conway, and Morrilton is denied to cotton originating on the Arkansas Central and shippers on that line are confined to the Fort Smith and Van Buren markets, it will subject them to inconvenience and delay on account of inadequate facilities and equipment, and confine them to the lower prices of a single market, because the two places are less than 5 miles apart and constitute practically one market, having the same buyers.

The evidence shows that there is only one compress at Fort Smith and one at Van Buren. The active buyers, four or five in number, appear to be the same at both places with possibly one exception. It indicates that the storage and compress facilities are inadequate and that at the present time the combined capacities of the two compresses will not meet the demand. It appears that there have been instances when notices have been issued by railroad agents that for stated periods cotton could not be received for shipment to Fort Smith; that there have been occasions when cotton drafts of shippers have been refused because the banks would not advance money on account of blockades at the compress; and that there have been times

when Fort Smith buyers were not in the market. It appears that prices in Fort Smith and Van Buren have ranged from one-eighth to one-half cent per 100 pounds lower than prices offered at the other three markets. Entirely different conditions prevail at Little Rock, which has four large compresses, ample storage as well as banking facilities, and is capable of taking care of all the cotton moving to it, thereby affording sufficient competition among buyers to insure a fair price to cotton shippers. In the *Blytheville case*, 26 I. C. C., 585, the Commission suspended respondent's tariff proposing to establish rules requiring compression at Blytheville, Ark., of cotton grown in a certain district from which the commodity had been accustomed to move to Memphis for compression. It was our conclusion that the territory which respondent's suspended tariff proposed to make tributary to Blytheville only, should be open via respondent's lines to both Memphis and Blytheville. It is said that the principle announced in that case, if carried to its logical conclusion, will permit a shipper to concentrate at whatever point he chooses en route to destination, thereby imposing a great burden on the carriers by depriving them of their equipment in rush seasons. Also, upon the theory that the *Blytheville case* hinged upon the fact that the owners of the compress were large cotton shippers as well and would be enabled to discriminate against other shippers, its inapplicability to the present investigation is urged. The circumstances controlling the *Blytheville case* were varied, but we deem it sufficient to say that one of the principal considerations underlying our findings was market adequacy, and one of the chief purposes of the opinion was the denial of concentration restriction which defeated that end. In discussing the propriety of a policy enforcing compression at a point in proximity to the place of origin and its effect to the carrier from an economical standpoint and as regards service to shippers, we said, at page 588:

The application of this rule is, however, dependent upon capacity of the press and other considerations. It has not been, and can not be so rigid as to ignore the practical features of the situation by requiring compression at a compress where the facilities are not sufficient for all the cotton grown in the tributary districts, or the capacity or management of which is so inefficient as to result in congestion or in improper service.

Reiterating in substance what we have heretofore held, it is manifestly economical from a transportation standpoint to have compression as near the origin of shipment as possible; but in determining the propriety of the practice the railroad may not deal with it irrespective of its effect upon the transportation of cotton.

The respondents ask that they be afforded an opportunity to demonstrate the practicability of the provisions of the suspended tariff, or in the alternative that they be allowed 8 cents per 100

pounds in addition to the through rate from point of origin of the shipment to final destination, as extra compensation for the flat haul over that necessary to reach the first compress point. As compression and sale of cotton are usually coincident and the practical effect is the withdrawal of the cotton from the market, it is apparent that under the suspended tariffs the Arkansas Central shippers will be limited to the one market at Fort Smith and Van Buren. No testimony was offered by Fort Smith representatives, but it seems that their assurances that satisfactory conditions would in future prevail at that market included no admission that there had been cause for just complaint in the past.

We are of the opinion that the evidence before us will not warrant a finding that respondents should receive the extra compensation asked for the flat haul beyond the first compress point. We further find that justification has not been shown for the withdrawal of the concentration privilege at Little Rock, Conway, and Morrillton and that the schedules in question should be canceled. An order will be issued accordingly.

Commissioner CLARK took no part in the decision of this case.

80 I. C. C.

No. 5475.

MEMPHIS FREIGHT BUREAU, FOR MEMPHIS RICE MILL,
v.
ILLINOIS CENTRAL RAILROAD COMPANY ET AL.

Submitted April 13, 1914. Decided May 11, 1914.

From Memphis, Tenn., to the Ohio River and beyond the only rates in effect on rice are the class rates, while from milling points in Louisiana, Texas, and Arkansas commodity rates are in effect, all of these rates being lower than those applicable to intermediate points. The carriers are willing to establish from Memphis to the crossings and points beyond, rates on clean rice lower by 5 cents and on brewers' rice by from 1 to 3 cents per 100 pounds than the current rates from New Orleans, La., but ask authority to do so without regard to increase of discrimination against intermediate points. Upon prayer for the establishment of such differentials in favor of Memphis of 9 cents on clean and 5 cents on brewers' rice; *Held*, That the existing rates subject Memphis to undue prejudice and disadvantage and that the relationship proposed by the carriers will result in the elimination thereof, but authority not granted to increase discrimination against intermediate points, the carriers being expected either to make reductions thereto or to publish the rates proposed by them subject to rule 77 of Tariff Circular 18-A.

James S. Davant for complainant.

John A. Smith for New Orleans Board of Trade, intervener. ~ .

W. M. Taylor for Chamber of Commerce of Pine Bluff, Ark.,
intervener.

N. W. Proctor for Louisville & Nashville Railroad Company.

Thomas Bond for St. Louis & San Francisco Railroad Company.

Fred G. Wright for St. Louis, Iron Mountain & Southern Railway
Company.

S. James for Chicago, Rock Island & Pacific Railway Company.

R. Walton Moore and *Chas. D. Drayton* for Illinois Central Railroad
Company.

REPORT OF THE COMMISSION.

CLEMENTS, *Commissioner*:

The corporation in whose behalf complaint is brought, and which will be referred to hereinafter as the complainant, operates a plant at Memphis, Tenn., for the storing and milling of rice. It is alleged in the complaint that the rates on rice from Memphis to points on and north of the Ohio River are unreasonable in themselves and unjustly discriminatory as compared with rates from other milling points. The prayer is for the establishment of rates from Memphis lower than

those from New Orleans, La., by 9 and 5 cents per 100 pounds on clean and brewers' rice, respectively, and for reparation on past shipments.

While the issues both of unreasonableness and unjust discrimination are raised, it appears that complainant is mainly interested in the relationship of rates between Memphis and the other milling points. As will be explained hereinafter, the establishment of the rates asked by it, or even those proposed by the carriers, would increase discrimination against intermediate points unless corresponding reductions were made thereto. Both the complainant and the defendants ask for decision without reference to the fourth-section questions involved, leaving them to be determined upon the carriers general applications for permanent relief.

The New Orleans Board of Trade, the Chamber of Commerce of Pine Bluff, Ark., and the Louisiana State Rice Milling Company intervened in behalf of defendants. The last-named owns thirty mills, four of which are in New Orleans and the others at points in the rice-producing sections of Louisiana. There is no rice mill at Pine Bluff, although the construction of one is contemplated. There are, however, mills at De Witt, Stuttgart, Weimer, Carlisle, Lonoke, and Wheatley, in the rice-producing section of eastern Arkansas, and it was in their behalf that the Chamber of Commerce of Pine Bluff intervened.

Brewers' rice, which constitutes about 6 per cent of complainant's output, is stated to be the germ of the rice and, as its name indicates, is used in brewing. Its value at the time of hearing was said to be about $1\frac{1}{2}$ cents per pound; that of clean rice from $2\frac{1}{2}$ to 6 cents per pound. The complainant states that it takes 162 pounds of rough rice to produce 100 pounds of clean rice.

New Orleans was the first rice-milling point in this section and is now the largest market and milling point for that staple, quotations there governing prices throughout the country. Rates from New Orleans to Cincinnati, Ohio, Louisville, Ky., and the other Ohio River crossings and to St. Louis, Mo., were made to meet the competition of water carriers and higher rates were originally, and still are, carried to intermediate points on the rail routes. With the development of the industry in Louisiana, Texas, and Arkansas, that in the last-named state being the most recent, mills were located at points contiguous to the rice fields and rates therefrom were made with relation to New Orleans; consequently the rates from all of these milling points are lower to the crossings than to intermediate points, to which no commodity rates are published. No rice was milled at Memphis prior to the establishment of complainant's mill in October, 1911, and the only rates in effect therefrom are the sixth-class rates on clean and the class-D rates on brewers' rice, which are lower to the crossings than to intermediate points.

Prior to the construction of its mill complainant took up with defendant Illinois Central Railroad Company the question of the rate adjustment and that carrier agreed to establish rates on clean rice from Memphis to the Ohio River crossings, St. Louis and Chicago, lower than those in effect from New Orleans by 9 cents per 100 pounds. It was found, however, that there was serious opposition to so great a differential, not only from the rice milling interests in the producing states, but from the carriers serving them. After conferences and agreements applications for authority to establish rates from Memphis to the crossings and points north thereof lower by 5 cents on clean and by from 1 to 3 cents per 100 pounds on brewers' rice than the current New Orleans rates were presented to the Commission and were denied, no showing being made of circumstances justifying any increase of discrimination against intermediate points. The complainant agreed to those rates, it states, as a compromise, but now that formal procedure has become necessary, it asks for the rates to which it thinks its geographical location entitles it.

The interveners and the defendants concede that Memphis should have lower rates than New Orleans, but contend that the differentials asked are too great and would disrupt an adjustment which has been established after much controversy and competition and which, it appears, is substantially satisfactory to all the milling interests except those at Memphis. The New Orleans Board of Trade contends that the differentials in favor of Memphis should not be more on either clean or brewers' rice than 2 cents on carloads and 5 cents on less than carloads, and certainly not greater than those proposed by the defendants.

The existing rates from Memphis, which are any quantity, and the carload commodity rates proposed by defendant from Memphis and those in effect from New Orleans and Crowley, La., Houston, Tex., and Stuttgart, Ark., together with the distances to the Ohio River crossings, St. Louis, and Chicago, are shown below—rates in cents per 100 pounds; carload minima 30,000 pounds on clean and 40,000 pounds on brewers' rice:

To—	Memphis.					New Orleans.			Crowley.			Houston.			Stuttgart.		
	Miles.	Clean.		Brewers.		Miles.	Clean.	Brewers.	Miles.	Clean.	Brewers.	Miles.	Clean.	Brewers.	Miles.	Clean.	Brewers.
		Present.	Proposed by defendants.	Present.	Proposed by defendants.												
Cairo.....	169	19	17	12	12	549	22	15	606	27	20	765	27	20	278	18	17
Evansville.....	311	23	19	13	14	697	24	23	748	34	30	854	34	30	420	29	27
Cincinnati.....	487	30	22	20	15½	829	27	16½	924	37	26½	1,077	37	26½	596	32	23½
Louisville.....	377	25	19	15	14	742	24	15	814	34	32	990	34	32	486	29	29
St. Louis.....	306	25	19	15	14	699	24	15	705	29	20	795	29	20	373	23	17
Chicago.....	527	31	25	21	20	912	30	23	988	35	28	1,088	35	28	636	30	25

The rates proposed by the defendants on brewers' rice from Memphis, it will be noted, are less than the current rates from New Orleans by 1 cent to Cincinnati, Louisville, and St. Louis, and by 3 cents to Cairo and Chicago.

Statements submitted by the New Orleans Board of Trade covering the period August 1, 1913, to February 25, 1914, show that nearly two-thirds of the rough rice milled at New Orleans came from Louisiana and that less than one-third of this came by water. Less than one-quarter of the New Orleans receipts came from Arkansas, from which the rate is 20 cents. The average rates paid from Louisiana points to New Orleans were 13 cents by boat and 11.3 cents by rail: the average rate on all rough rice received at New Orleans during the period stated was 13.8 cents. Memphis receives the greater portion of its supply from eastern Arkansas, the average rate paid during the season 1912-13 being 12.8 cents per 100 pounds. The Arkansas mills are located near the source of the rice and over half of their supply is brought in by wagon. Statements submitted show the average freight rates to be 5.4 cents to Carlisle, 3.57 cents to Stuttgart, and 3.38 cents per 100 pounds to De Witt. The rates from the Arkansas points of production to Memphis are somewhat higher than the Arkansas mileage scale. The rate on clean rice from New Orleans to Memphis is 10 cents per 100 pounds.

There was considerable testimony as to these inbound rates, complainant attempting to justify the amount of the differentials asked by showing that the aggregate cost of transportation from the rice fields to Memphis and thence to the territory of destination referred to is greater than similar combinations on New Orleans or other milling points. This aggregate cost of transportation is figured by adding the rate on 162 pounds of rough rice to the milling point and the outbound rate on 100 pounds of clean rice.

There was also testimony as to reconsigning and milling-in-transit privileges enjoyed by the New Orleans and other Louisiana mills, but it was not definitely indicated of record the extent to which such privileges are used or the value thereof to the millers. There are charges in connection with the milling privilege of 2 cents per 100 pounds on the outbound tonnage of clean rice and in connection with the reconsigning privilege on rough rice of 1 cent per 100 pounds.

Memphis is 396 miles north of New Orleans and complainant's request for the differentials stated under New Orleans is based mainly on the substantial difference in distance to the Ohio River crossings from the two points and the fact, which is admitted by defendants, that water competition is at least as effective at the one as at the other. The issue of discrimination, however, can not be considered with reference alone to the relative distances from those two points.

but weight must be given to all of the circumstances surrounding the transportation of rice from this general section, the relationship of rates from the various milling points, and the probable effect thereon of substantial reductions from Memphis. The present adjustment, which as stated it is claimed would be completely disrupted if the reductions asked by complainant were made, is the result of competition between carriers and markets and appears not to have been governed to any considerable extent by the relative distances to the points of consumption.

The rates on clean rice to the Ohio River crossings and to points generally in central freight association territory are less from New Orleans by 10 cents per 100 pounds and from the Arkansas mills by 5 cents per 100 pounds than from Louisiana milling points other than New Orleans, and the reductions asked by complainant would therefore make Memphis lower than the Louisiana and Arkansas mills by 19 and 14 cents, respectively. The rates from the Arkansas mills to Chicago are the same as, and to St. Louis 1 cent lower than, those from New Orleans. To both of these latter points the rates from the other Louisiana mills are made 5 cents higher than the rates from New Orleans. Under the readjustment proposed by the defendants, Memphis would have rates on clean rice lower than the Arkansas mills by 10 cents to the Ohio River crossings and to points in central freight association territory, by 5 cents to Chicago, and by 4 cents to St. Louis. The minimum difference between the proposed rates on brewers' rice from Memphis and the current rates from the Arkansas mills is 3 cents per 100 pounds, the former being lower than the latter.

The following are comparisons of the rates, in cents per 100 pounds, proposed by the defendants and the present rates to the highest intermediate points, the distances, and the ton-mile earnings:

From Memphis to—	Miles.	Clean rice.		Brewers' rice.	
		Rate.	Mills per ton-mile.	Rate.	Mills per ton-mile.
Cairo.....	169	\$0.17	20	\$0.12	14.2
St. Louis.....	305	.19	12.1	.14	9.1
Fulton, Ky.....	120	.25	41.6	.20	33.3
Evansville.....	311	.19	12.2	.14	9.0
Marion, Ky.....	236	.23	32.2	.22	18.6
Louisville.....	377	.19	10	.14	7.4
Vine Grove, Ky.....	354	.30	22	.....	.....
Caneyville, Ky.....	307	.....	.....	.21	13.7

Upon consideration of the facts of record we are of opinion that the present adjustment of rates on rice to the Ohio River and points beyond subjects Memphis and the shippers of rice therefrom to undue

prejudice and disadvantage, and that the rates from that point to the territory of destination referred to should be lower than the rates from New Orleans by not less than the amounts proposed by the defendants in their fourth section applications. In view, however, of the great disparity between the rates proposed by the carriers and the present rates to the intermediate points, authority will not be granted to establish the former without regard to the increase of discrimination, but the defendants will be expected either to make such reductions to the intermediate points as may be necessary to prevent any increase in the existing discrimination, or to publish the proposed rates subject to rule 77 of Tariff Circular 18-A. No order will be made at this time, but the carriers will be expected to readjust their rates within thirty days after the service of this report, upon not less than five days' notice to the Commission and to the public. The case will be held open for this purpose.

There was no testimony as to the extent to which less-than-carload rates would be used, and upon this record we will not prescribe the amount thereof or pass upon the question of relationship between New Orleans and Memphis in such rates.

We are not of opinion, upon the facts of record, that reparation should be awarded.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 6060.

CHAMBER OF COMMERCE, FREIGHT BUREAU, MACON, GA.,

v.

CINCINNATI, NEW ORLEANS & TEXAS PACIFIC RAILWAY
COMPANY ET AL.

Submitted January 5, 1914. Decided May 11, 1914.

The existence of lower carload rates on shoe sole leather than on raw leather suitable for use in the manufacture of harness, bridles, and horse collars to Macon, Ga., from the Ohio and Mississippi River crossings and the Gulf ports not found to result in undue prejudice and disadvantage to the shippers of the latter.

B. Gilham for complainant.

R. Walton Moore and *M. P. Callaway* for Cincinnati, New Orleans & Texas Pacific Railway Company; Illinois Central Railroad Company; and others.

REPORT OF THE COMMISSION.

CLEMENTS, *Commissioner*:

This complaint alleges that the carload rates on raw leather other than shoe sole leather to Macon, Ga., from the Ohio and Mississippi River crossings and the Gulf ports are unjustly discriminatory as compared with rates between the same points on shoe sole leather. There is a factory at Macon which manufactures harness, horse collars, and other articles, in the production of which no shoe sole leather is used.

Prior to 1906 there were no commodity rates on raw leather of any description from the points of origin named to any point in Georgia, the rates being fourth class on carloads and second class on less than carloads. Cincinnati, Ohio, one of the Ohio River crossings, may be taken as a representative point of origin. From Cincinnati the fourth-class rates are 63 cents to Atlanta and 65 cents to Macon; the second-class rates 87 and 90 cents per 100 pounds, respectively. It was desired, however, to establish a shoe factory at Atlanta and the respondents state that upon representations to them as to the necessity for lower rates to meet competition with factories located at St. Louis, Mo., and other points in the west and at Lynchburg, Va., and other points in the east, commodity rates on raw leather were published to Atlanta, those from Cincinnati being 52 cents, carloads, and 63 cents less than carloads. Upon complaint of unjust discrimination against Macon and in favor of Atlanta the Commission held that rates on leather to the former should not exceed those to the

latter by amounts greater than the difference existing in the class rates applicable to that commodity in the absence of commodity rates. *Chamber of Commerce, Macon, v. C., N. O. & T. P. Ry. Co.*, 27 I. C. C., 263. Prior to this decision the carriers had limited the application of the carload commodity rates to Atlanta to shoe sole leather and subsequently they established commodity rates to Macon higher than the Atlanta rates by 2 cents, carloads, and 3 cents, less than carloads; therefore while shoe sole leather now moves in less than carloads to either point at the same rates as leather used in the manufacture of harness, there is a difference of 11 cents per 100 pounds in the carload rates in favor of the former commodity.

Leather suitable for use in the manufacture of harness and kindred articles moves to all other points in this section at the class rates. Shoes are not manufactured at any point in the southeast except Atlanta. The contention of the defendants is, in effect, that a satisfaction of the complaint by a reduction in the rates complained of to Macon would result in numerous complaints from other points throughout the south, harness being made to some extent, it is claimed, at many points. The defendants further point to the fact that neither the commodities involved nor the articles into which they are manufactured are competitive and that shoe sole and other raw leathers are not used interchangeably.

The complainant, on the other hand, contends that the leather used by the manufacturer of harness and shoe sole leather are of practically the same value; that they take the same ratings in the three principal classifications of the country; that the one loads as heavily as the other; and that the conditions of transportation are not substantially different. There is no question raised, however, as to the classification of the kinds of leather used at Macon or as to the inherent reasonableness of the rates applicable thereto; the lower rates are sought solely on the ground that they are now in effect on shoe sole leather.

Upon consideration of the facts of record we are unable to find that the rates complained of result in undue prejudice or disadvantage to the manufacturer of harness and kindred articles. It follows that the complaint must be dismissed, and it will be so ordered.

Commissioner CLARK took no part in the decision of this case.

INVESTIGATION AND SUSPENSION DOCKET No. 307.
BROWNSVILLE, TEX., CLASS AND COMMODITY RATES.

Submitted April 2, 1914. Decided May 19, 1914.

Respondents propose to increase the class rates and certain commodity rates from New Orleans, Harvey, and Port Chalmette, La., to Brownsville, Tex. The present rates to Brownsville violate the fourth section both as to points of origin and as to points of destination and were established to meet water competition. The suspended rates are based on the rate from New Orleans to Texas common points, plus the regular Brownsville differential. At the hearing respondents modified their proposal to the extent of observing Houston combinations as maxima wherever they are lower than the suspended rates: *Held*, That rates proposed by respondents at the hearing should be permitted to become effective with the exception of the rate on roasted coffee, which should be no higher than 5 cents over the rate contemporaneously maintained on green coffee.

John A. Smith for New Orleans Board of Trade.

D. A. O'Brien for Brownsville Chamber of Commerce.

Claud Pollard, Andrews, Ball & Streetman, and *R. C. Fulbright* for St. Louis, Brownsville & Mexico Railway Company and its receiver.

REPORT OF THE COMMISSION.

MEYER, Commissioner:

In this proceeding we have under consideration respondents' proposal to increase the class rates and certain commodity rates from New Orleans, Harvey, and Port Chalmette, La., to Brownsville, Tex. Upon protest filed by the New Orleans Board of Trade and the Brownsville Chamber of Commerce the tariff schedules containing these increases were suspended pending this investigation. At the hearing respondents offered to use the Houston combinations, which in several instances are lower than the suspended rates, as maxima to Brownsville. These rates will hereinafter be designated as the "proposed rates," the rates now in effect as the "present rates," and the rates in the suspended schedules as the "suspended rates."

Brownsville is located on the Mexican border, about 20 miles west of the mouth of the Rio Grande River. It is served by the St. Louis, Brownsville & Mexico Railway, which extends from Houston to Brownsville. This carrier is part of the St. Louis & San Francisco Railroad system. The route from New Orleans to Houston over

which the rates herein involved apply is composed of the New Orleans, Texas & Mexico Railroad from New Orleans to the Texas-Louisiana boundary, and the Beaumont, Sour Lake & Western Railway beyond, both of which are also part of the St. Louis & San Francisco Railroad system. These three carriers assumed the burden of justifying the proposed increased rates.

Brownsville is in what is commonly known as differential territory, as distinguished from Texas common point territory. In the *Texas Common Point case*, 26 I. C. C., 528, 529, these territories are defined as follows:

* * * common point territory, as now constituted under the tariffs of interstate carriers, comprises all that part of Texas lying east of a line commencing at Quanah on the north and running thence in a southerly direction through Big Springs and San Angelo to Corpus Christi on the Gulf of Mexico. * * * The territory lying west and south of the common point territory is known as differential territory, and to all points within it rates are made by adding differentials to the common point rates.

Texas common point territory extends as far south on the St. Louis, Brownsville & Mexico Railway as Sinton, Tex., 578 miles from New Orleans, and Corpus Christi, Tex., which is 614 miles from New Orleans, but not on the direct line to Brownsville. The distance from New Orleans to Brownsville is 740 miles.

The table given below shows among other things the present rates from New Orleans, Harvey, and Port Chalmette, to Brownsville, the suspended rates and the proposed rates. Ordinarily New Orleans rates apply from a large number of other Louisiana points besides Harvey and Port Chalmette which are contained in group A in the tariffs herein involved, and will hereinafter be referred to as group-A points. The table below also includes rates from group-A points other than New Orleans, Harvey, and Port Chalmette, to Brownsville, and also rates to Texas common points from all group-A points, including the three just mentioned, and to Houston and Galveston, Tex., from New Orleans and some of the group-A points.

80 I. C. C.

Rates from New Orleans, Harvey, and Port Chalmette, La., to Brownsville, Tex., per 100 pounds.

Classes and commodities.	Present rate.	Sus-pended rate.	Rate from group A points ¹ other than New Or-leans, Har-vey, and Port Chal-mette.	Proposed rate (pro-posed at the hearing).	Rate from New Or-leans and all other group A points to Texas com-mon points.	Rate from New Or-leans and many group A points to Houston and Galves-ton, Tex
First class.....	\$1.37	\$1.68	\$1.68	\$1.68	\$1.37	\$0.80
Second class.....	1.15	1.45	1.45	1.45	1.15	.64
Third class.....	.94	1.28	1.28	² 1.21	.94	.50
Fourth class.....	.87	1.22	1.22	² 1.08	.87	.40
Fifth class.....	.58	.91	.91	² .85	.69	.33
Class A.....	.61	.94	.94	² .90	.72	.35
Class B.....	.52	.85	.85	² .77	.64	.30
Class C.....	.48	.66	.66	.66	.52	.27
Class D.....	.42	.52	.52	.52	.40	.26
Class E.....	.38	.44	.44	.44	.33	.25
Bags and bagging:						
C. l. min. wt., 30,000 lbs.....	.42					.15
C. l. min. wt., 24,000 lbs.....		.54	.54	.54	.32	
Cement:						
C. l. min. wt., 38,000 lbs.....	.43½					
C. l. min. wt., 40,000 lbs.....		.46	.46	² .46	.34	² .18½
Coffee:						
Green, c. l. min. wt., 30,000 lbs.....	.60	.81½	.81½	.67½	.59½	.20½
Roasted, c. l. min. wt., 30,000 lbs.....	.60	.86½	.86½	² .85	.64½	.33
Cotton fabrics:						
Any quantity.....	1.22	1.52	1.52		1.21	.63
C. l. min. wt., 20,000 lbs.....				² 1.18		
L. c. l.				² 1.31		
Rails and steel ties:						
C. l. min. wt., 40,000 lbs.....	² .38	.39	.39			
C. l. min. wt., 44,800 lbs.....				.361	.241	.241
Fastenings, iron and steel, c. l. min. wt., 40,000 lbs.....	² .38	.39	.39	.39	.27	.27
Rails and fastenings in mixed car-loads, c. l. min. wt., 40,000 lbs. ⁶ ..	² .38					
Lime, c. l. min. wt., 30,000 lbs.....	.43	.41	.41	.41	.39	.29
Lime, in mixed carloads with ce-ment, c. l. min. wt., 38,000 lbs...	.43	.56	.56	² .49	.44	.30
Molasses, in straight carloads or in mixed carloads with sugar:						
C. l. min. wt., 30,000 lbs.....	.48				.44	
C. l. min. wt., 24,000 lbs.....		.66	.66	.52		.22
Sugar, c. l. min. wt., 24,000 lbs.....	.48	.66	.66	.52	.44	.18
Packing-house products, c. l. min. wt., 26,000 lbs.....	.52	.76	.76	² .76	.54	.33

¹ Group A includes points in Louisiana which ordinarily take the New Orleans rates, to which rule, however, the present rates from New Orleans, Harvey, and Port Chalmette to Brownsville are exceptions in that they are lower than the rates from the remainder of group A.
² Houston combination.
³ Rate to Houston, 16 cents.
⁴ Rate to Galveston, 15½ cents.
⁵ Applies only on rails, etc., for other than regularly chartered steam railways.
⁶ Rails, steel cross ties, and fastenings may be shipped in mixed carloads at the carload rate on each, subject to minimum weight of 20 tons or 2,240 pounds each.

It will be observed that the present rates from New Orleans, Harvey, and Port Chalmette to Brownsville are in many instances the same, in a few instances lower, and in others slightly higher than those to Texas common points. With the exception of the rates from the three points above named those from group-A points to Brownsville are in each case made by adding published class differentials to the rates to Texas common points. Through the suspended rates respondents have attempted to raise the rates from New Orleans, Harvey, and Port Chalmette to the basis in effect from the remainder of

group A. In this connection it should be noted that a large number of commodity rates from New Orleans and the other two points named to Brownsville are upon the same basis as those from the remaining group-A points, namely, the regular Brownsville differentials over Texas common point rates, and likewise the rates on all classes and commodities from all group-A points, including New Orleans, Harvey, and Port Chalmette, to all points other than Brownsville in the differential territory of the St. Louis, Brownsville & Mexico Railway. It should also be noted that group A includes points on the New Orleans, Texas & Mexico Railroad west of New Orleans, and that the present rates from New Orleans, Harvey, and Port Chalmette violate the fourth section of the act in so far as they are lower than those to Brownsville from intermediate points.

Thus, for example, while the present first-class rate from New Orleans to Brownsville is \$1.37, it is \$1.68 from De Quincy, 232 miles west of New Orleans on the line of the New Orleans, Texas & Mexico Railroad. The fourth section is also violated by the present rates when destinations are considered. This is illustrated by the present first-class rate from New Orleans to Brownsville, which is \$1.37, while the first-class rate to Olmita, Baneda, and San Benito, Tex., is \$1.65. These points are intermediate to Brownsville from New Orleans. The distance to Olmita is 731 miles, to Baneda 726 miles, to San Benito 721 miles, as compared with the distance of 740 miles from New Orleans to Brownsville. The present first-class rate of \$1.37 from New Orleans to Brownsville exceeds that to intermediate points as far back as Odem, Tex., to which point the rate is \$1.42 for a distance of 585 miles. The present fifth-class rate from New Orleans to Brownsville is 58 cents and violates the fourth section as far back as Buckeye, Tex., which is 465 miles from New Orleans and has a fifth-class rate of 55 cents. The fourth section violations are, of course, most flagrant at points close to Brownsville. These examples are typical not only of the class rates, but also of the commodity rates herein involved. In many instances goods can be shipped from New Orleans to Brownsville and back again to points on the line of the St. Louis, Brownsville & Mexico Railway at a lower charge than if shipped direct from New Orleans. This is true both of class rates and of commodity rates. In some instances the back haul is as great as 100 miles.

The extraordinary situation presented by the rates now in effect to Brownsville, of fourth-section violations both as to points of origin and as to points of destination would seem to be due to the fact that the rates from New Orleans, Harvey, and Port Chalmette to Brownsville were originally established to meet water competition. While the Rio Grande River affords no feasible water route to Brownsville, a water-and-rail route was formerly operated via Point Isabel, Texas

Point Isabel is located on Laguna Madre, a narrow strip of water between Padre Island and the mainland of Texas. Entrance to the harbor is through the pass between Padre Island and Brazos Island. Prior to the advent of the St. Louis, Brownsville & Mexico Railway in 1904 supplies for Brownsville moved by steamer or schooner from Galveston or New Orleans to Point Isabel, and beyond over the line of the Rio Grande Railway, a narrow-gauge line which extends from Point Isabel to Brownsville, a distance of 22 miles. In 1905 the controlling stock in this railroad was sold and shortly thereafter transferred to the interests which control the St. Louis, Brownsville & Mexico Railway Company.

The testimony shows that until July, 1906, the steamship *Manteo* maintained a more or less regular service between Galveston and Point Isabel. Through routes and joint rates were maintained between New Orleans and Brownsville over the Southern Pacific lines from New Orleans to Galveston, the steamship *Manteo* from Galveston to Point Isabel and the Rio Grande Railway thence to Brownsville. The rates established by respondents soon after the St. Louis, Brownsville & Mexico Railway entered Brownsville were, insurance considered, substantially the same as those maintained via the steamship and its rail connections, but higher than those charged by schooners. The latter, however, made trips only as cargoes were offered for shipment. The so-called water competitive rates, with slight modification in 1906 and again in 1908, have been maintained by respondents to the present time.

Much testimony was introduced with regard to the character of the former rail-and-water service and the condition of the harbor at Point Isabel. The former owner and captain of the steamship *Manteo* testified that while the round trip from Galveston to Point Isabel and back should not under ordinary circumstances have taken longer than 30 hours, the average round trip consumed approximately 20 days, due principally to delays occasioned by the shallow and rough bar at the entrance of the harbor and the treacherous channel. Boats were usually unable to land their cargo at the wharf at Point Isabel, but had to effect a landing with the assistance of lighters. Nearly \$250,000 was expended in improving the harbor at about the time the St. Louis, Brownsville & Mexico Railway entered Brownsville. However, in 1909, when a survey was made by a board of engineers of the War Department for the purpose of determining the advisability of making further improvements, their report showed that the channel which was dredged in 1905 had completely disappeared. It was recommended that for the present no further attempts be made to improve the harbor. The steamship service was abandoned in 1906, due in part to the rail competition

and in part to the unfavorable conditions of the harbor at Point Isabel. At present no active water competition exists from New Orleans to Brownsville via Point Isabel, and there is no prospect of its reestablishment in the near future.

Respondents argue that the present adjustment of rates from New Orleans to Brownsville is unnatural because of the fourth-section violations involved and furthermore that the proposed rates are just and reasonable when the character of the service performed and the conditions of transportation over their lines are considered.

From the testimony it appears that the line of the St. Louis, Brownsville & Mexico Railway from Houston to Brownsville extends through an undeveloped and very sparsely settled territory. This is true to a somewhat less degree of the lines of the other two respondents. It was shown that the population of all stations on the route from New Orleans to Brownsville, excepting New Orleans, is 128,239, of which practically two-thirds live within the city of Houston. Brownsville, with 10,000 inhabitants, Baton Rouge, with 15,000, and Beaumont, with 20,000, constitute the only other towns of any magnitude along the entire line. Outside of these cities the total population of all other towns along the 740 miles of railroad is only 29,079. It appears that in the division of the rates from New Orleans to the differential territory on the line of the St. Louis, Brownsville & Mexico Railway the latter receives 55 per cent of the rate, and upon the haul from points east of New Orleans 63 per cent of the amount apportioned to the lines west of New Orleans. The evidence also shows the income accounts and operating results of respondents during the fiscal years 1912 and 1913, and for the St. Louis, Brownsville & Mexico Railway back to the time that the line was built into Brownsville. The net operating revenue per mile of road for the three carriers was shown to be \$982.55 for 1912 and \$1,034.44 for 1913, or less than one-half of the average for lines in the southwest, as shown in the Commission's report to the United States Senate relative to the receivership of the St. Louis & San Francisco Railroad. It is further testified that more than 7 per cent of the tonnage of the St. Louis, Brownsville & Mexico Railway is live stock, and approximately 5 per cent fruits and vegetables, for all of which empty cars have to be hauled almost to the southern extremity of the line. The empty-car mileage was given as more than 30 per cent on the New Orleans, Texas & Mexico Railway, and approximately 40 per cent on the Beaumont, Sour Lake & Western Railway and the St. Louis, Brownsville & Mexico Railway. It is argued that in view of the financial condition of respondents, the nature of the territory served, and of the tonnage offered for transportation, the proposed rates to Brownsville are just and reasonable.

The testimony also shows that an informal complaint was made to this Commission in 1903 by shippers located in Corpus Christi in which it was pointed out that the rate on bananas from New Orleans to Corpus Christi was 72 cents per 100 pounds, while to Brownsville, 150 miles more distant, it was 61 cents per 100 pounds, to which respondents replied that a readjustment would be made in the rates to Brownsville. It is argued that the injustice of the present Brownsville adjustment is apparent when the many other fourth-section violations are considered, and that other shippers located at intermediate points likewise have a right to complain of this adjustment.

From a comparison made by respondents of the proposed rates from New Orleans to Brownsville with those in effect over the Southern Pacific lines from New Orleans to San Antonio, Texas, it appears that on the classes and commodities herein involved the proposed rates to Brownsville yield approximately the same revenue per ton per mile as those to San Antonio. In this connection it should be remembered, however, that ordinarily rates for longer distances yield a lower per-ton-mile revenue. The distance from New Orleans to San Antonio is 572 miles, or 168 miles less than from New Orleans to Brownsville. Respondents, however, argue that in view of the greater density of the traffic on the Southern Pacific lines the comparison is favorable to the proposed rates. Another comparison made by respondents was between the proposed rates and those in effect from St. Louis, Mo., to Brownsville. The distance from St. Louis is 1,188 miles. St. Louis rates are the regular Brownsville differentials over the rates from St. Louis to Texas common points and are in all cases somewhat higher than the rates from New Orleans to Brownsville.

It was further stated by respondents that during the six months beginning July 1, 1913, sugar comprised 55.3 per cent of the tonnage which moved over their lines from New Orleans to Brownsville and coffee 22.1 per cent. The proposed rate on sugar is 4 cents higher, on green coffee $7\frac{1}{2}$ cents, and on roasted coffee 25 cents higher than the rates at present in effect. The proposed rates on sugar, molasses, and green coffee are in all cases lower and on roasted coffee the same as the Houston combination.

No brief was submitted nor argument made on behalf of the protestants. In their petition complaining of the proposed increases in pursuance of which the tariff schedules involved were suspended, protestants alleged that respondents secured control of the Rio Grande Railroad with the purpose of thereby eliminating water competition. We give below a quotation from the petition of the Brownsville Chamber of Commerce:

The only reason why water competition does not exist to-day is that the Rio Grande Railroad is in bad condition and without sufficient equipment or motive power to

handle traffic. The wharf at Point Isabel is a wreck, while a portion of it is inaccessible, due to the fact that several years ago a large lighter, which we are informed is the property of the railroad company, was sunk beside it. * * *

Now that the terminals at Point Isabel are in such condition they can not be used and the Rio Grande Railroad has been dismantled to the extent that it can not handle traffic, and there being no immediate danger of water competition, the Frisco management has concluded that the time is opportune to deprive this rate-ridden community of the only advantage it has in the matter of freight rates and which should be ours by reason of our geographical and physical position.

These allegations are not supported by the facts of record.

The testimony of wholesalers and jobbers located in New Orleans, who appeared on behalf of protestants, was that their main competitors were located at Houston and Galveston, Tex., and that their Brownsville business had been considerably greater before the advent of the St. Louis, Brownsville & Mexico Railway than at the present time. Witnesses, testifying for the protestants, compared the rates from New Orleans to Brownsville with those from New Orleans to Laredo, Eagle Pass, and El Paso, Tex. These points are also located on the Mexican border, the first two at about the same distance from New Orleans as Brownsville and the latter at a distance of 1,160 miles from New Orleans. The first-class rate from New Orleans to Laredo, Eagle Pass, and El Paso is \$1.49, as compared with the present first-class rate to Brownsville of \$1.37 and the proposed rate of \$1.68. This rate relationship is typical of the other classes and of the commodity rates involved. The rates from New Orleans to Laredo, Eagle Pass, and El Paso, like the present rates to Brownsville, exceed those to intermediate points.

It is stated in respondent's behalf that the density of traffic is much greater on the lines leading to Laredo, Eagle Pass, and El Paso than on respondent's lines, which fact it is stated is recognized by the Railroad Commission of Texas which permits the maintenance of higher differentials over common point rates to points on the St. Louis, Brownsville & Mexico Railway than to points on the other Texas lines. It is further stated by respondent that the rates from New Orleans to Brownsville have no bearing on the Mexican rate situation, since proportional rates are published to Brownsville and through rates to Mexican destinations via Brownsville, which are no higher than the proportional rates to the other crossings or through rates via those crossings.

Upon considering all of the facts and circumstances disclosed by the record, we are of the opinion that with the exception of the rate on roasted coffee the rates proposed by respondents should be permitted to become effective. There seems to be no reason why Brownsville should be accorded lower rates than intermediate points. This determination is without prejudice to the right of the shipper

to test the reasonableness of the entire differential adjustment on the St. Louis, Brownsville & Mexico Railway. While in most sections of the country the rates on roasted coffee are the same as on green coffee, they are 5 cents higher for the movement from New Orleans to practically all Texas points. The proposed rates on roasted coffee, however, are $17\frac{1}{2}$ cents higher than on green coffee. It is our opinion that the former should not exceed the latter by more than 5 cents per 100 pounds.

The rates to points intermediate Brownsville and New Orleans are not herein involved. It would seem, however, that if respondents publish the proposed rates with the modification suggested above, these should be observed as maxima at intermediate points.

An order will be entered requiring respondents to cancel the suspended rates wherever they exceed the rates proposed at the hearing. Respondents will be required to establish in their stead rates which are no higher than those proposed at the hearing and which on roasted coffee do not exceed those contemporaneously maintained on green coffee by more than 5 cents per 100 pounds.

Commissioner CLARK took no part in the decision of this case.

80 I. C. C.

No. 6220.
RAILROAD COMMISSION OF THE STATE OF ARKANSAS
v.
MISSOURI & NORTH ARKANSAS RAILROAD COMPANY
ET AL.

Submitted April 28, 1914. Decided May 28, 1914.

1. That interstate passenger fares are higher on one road than fares charged by other carriers in the same general territory and higher than intrastate fares fixed under authority of state laws and not voluntarily accepted by the carrier are not sufficient facts to justify an order reducing such fares when the carrier making such charge is operating through a mountainous and sparsely settled country and is earning less than its taxes and cost of operation.
2. It is not proof of extravagance that such carrier, operating through such territory and having a roadbed upon which there are sharp curves and steep grades, has a higher operating expense than another carrier in the same general territory having no such transportation difficulties.
3. A passenger fare of 6½ cents a mile for that part of a railroad 12.37 miles long which runs through a mountainous and thinly populated country, the total earning of the whole road being insufficient to pay operating expenses and taxes, is not, under all the circumstances shown here, unreasonably high.
4. That the aggregate of intermediate fares prescribed by state authority and not voluntarily accepted or used in making the interstate fare, is less than the through interstate fare shows no violation of the act to regulate commerce.

F. O. Butt for complainant.

W. B. Smith for defendants.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

In 1884 the Eureka Springs Railway Company began the operation of a railroad 18½ miles long, extending from Seligman, in the state of Missouri, to Eureka Springs, in the state of Arkansas. The interstate passenger fare on that road was, in February, 1897, 10 cents a mile, though the intrastate fares were by law then in force limited to 5 cents in the state of Arkansas and 4 cents in the state of Missouri. In *Board of Railroad and Warehouse Commissioners of Missouri v. E. S. Ry. Co.*, 7 I. C. C., 69, this interstate fare was, in February, 1897, held to be unreasonable and unlawful in so far as it exceeded 6½ cents a mile.

At that time the Eureka Springs Railway Company was earning net balances from both its passenger and freight business and was meeting its interest on its bonded indebtedness.

Subsequently the St. Louis & North Arkansas Railroad Company was organized and purchased the road of the Eureka Springs Railway

Company, thereafter extending such road southeast to Leslie, Ark. In the case of *Railroad Commission of Arkansas v. St. L. & N. A. R. R. Co.*, 12 I. C. C., 233, complaint was made, as here, of the charge of 80 cents from Seligman, Mo., to Beaver, Ark., a distance of 12.37 miles, the rate from Beaver to Eureka Springs being then, as now, 3 cents a mile. Pending the decision of that case, the defendant therein defaulted in the payment of interest on its bonds, and, under foreclosure, the road was sold to the present defendant, which was organized August 4, 1906.

The line of defendant now extends from Joplin, Mo., to Helena, Ark., a distance of 365 miles, the extension having been completed in 1908. The volume of defendant's business is increasing, but a part of its road is over a rough and mountainous country where the grades are steep and the curves sharp, and as the original construction was such that frequent replacement and repairs are necessary, the cost of operation is high and leaves no net earnings. We insert tables showing for the years since the present mileage has been operated:

Comparative statement of earnings and expenses.

Year.	Average mileage operated.	Total gross earnings.	Total expenses.	Net earnings.	Expenses— per cent of gross earnings.
1909-10.....	365.24	\$826,710.77	\$745,770.99	\$80,939.78	90.21
1910-11.....	365.24	884,729.25	806,799.83	77,929.42	91.19
1911-12.....	365.24	956,454.99	945,814.88	10,640.11	98.89
1912-13.....	365.24	1,236,144.75	1,200,129.07	36,015.68	97.09

Comparative statement of passenger business.

Year.	Revenue passengers.	Nonrevenue passengers.	Total number passengers.	Passenger revenue.
1909-10.....	320,339	21,618	341,957	\$251,670.52
1910-11.....	308,277	25,457	333,734	291,672.33
1911-12.....	346,272	27,027	373,299	315,895.35
1912-13.....	447,561	37,744	485,305	369,528.32

This complaint is brought by the Railroad Commission of the state of Arkansas, and it is alleged that the passenger fare of 80 cents between Seligman, Mo., and Beaver, Ark., is unreasonable and unduly discriminatory, and the prayer is that such fare “not to exceed 3 cents per mile or such other lower rate as the Commission may deem reasonable and just” be prescribed.

Evidence was submitted showing that the intrastate passenger fare in Missouri and Arkansas, established by or under authority of the laws of those states, is 2 cents a mile and as to that portion of the defendant's road other than between Seligman and Beaver, the interstate fare is 3 cents a mile. Comparisons are made between the St.

Louis Southwestern Railway Company and the defendant, from which it appears that on the St. Louis Southwestern the average daily compensation paid enginemen is \$4.60; all other laborers, \$1.75; and that the average daily expense of all employees assigned to transportation is \$2.61. These expenses of the defendant are—enginemen \$4.62; all other laborers \$2.90; and transportation \$2.70. The defendant explains this slightly higher expense by showing that the conditions existing on its line are different from those existing on the line of the St. Louis Southwestern. The charge that is here complained of is over that portion of defendant's road where there are the steep grades and sharp curves hereinbefore mentioned, and while the grades and curves from Beaver to Leslie, Ark., are steep and sharp, they are less so than between Seligman and Beaver, and present less transportation difficulties than those existing where the higher charge is maintained. Defendant is contesting the intrastate fares, those in Arkansas having been enjoined by the courts and at the time of this hearing the injunction order was in force pending an appeal to the circuit court of appeals. Since the hearing the circuit court of appeals has affirmed the judgment of the lower court. The defendant having defaulted in the payment of interest on its bonds, a foreclosure suit was filed and receivers appointed, the defendant railroad now being operated by such receivers. The business of defendant for the fiscal year 1913 shows a deficit of \$93,147.15, excluding interest paid on receivers' certificates and discount paid on the sale thereof. During the corporate life of the defendant the total deficit is \$468,530.73.

The situation of the defendant is such that it has very little through passenger traffic, its heaviest travel being to Eureka Springs, which is a summer resort to which during the season excursions are advertised and excursion rates given.

As illustrating the passenger traffic handled over that portion of the defendant's lines where the high charge is made, a witness for the defendant offered the following statement:

Passenger traffic handled over that portion of the road between Seligman, Mo., and Beaver, Ark., for the year ended June 30, 1913.

Number of passengers handled.....	61, 27
Passengers handled one mile.....	3, 667, 68
Average distance carried.....miles..	60
Revenue derived from these passengers.....	\$118, 537. 50
Average receipts from each passenger.....	\$1. 93
Average receipts per passenger per mile.....	\$0. 0325
Distance between Seligman and Beaver.....miles..	12. 5
Tariff fare between Seligman and Beaver.....	\$0. 80
Computed passenger revenues derived from that portion of the line between Seligman and Beaver on basis of existing fare of 80 cents = 35.87 per cent of total or.....	\$42, 519. 40
Estimated loss if reduced to 3 cents per mile, or 39 cents = 51.25 per cent or	\$21, 791. 15

One of the contentions of the complainant is that if it be admitted that a higher fare than 3 cents should be charged by the defendant that the fare should be distributed over a greater portion of its line and not limited to that part from Seligman to Beaver. Defendant's answer to this contention is that its most expensive line is that over which the higher charge is exacted. The table hereinbefore copied shows that those who pay this higher charge travel an average distance of 60 miles and it is apparent from the evidence that there is little travel between Seligman and Beaver. The larger portion of the travel over this line moves to Eureka Springs, most of which comes from points beyond Seligman; so most of the revenue received from this alleged excess charge is distributed over a greater distance than the 12.37 miles. Travel moving from the south and southeast to Eureka Springs is not affected by this charge. One witness estimated that 50 to 60 per cent of the visitors to Eureka Springs came from the south and southeast and therefore paid only 3 cents a mile on interstate travel. Defendant advertises Eureka Springs and the visitors thereto usually travel on excursion rates. It is urged by complainant that the reduction of fare would result in an increase of revenue. Should it be admitted that a reduction in a rate ordinarily means an increase of travel, in view of the peculiar circumstances and location of Eureka Springs, of the character of the travel thereto and therefrom, it is not probable that the reduction prayed for here would materially increase the total passenger travel. Witnesses for the complainant disclaimed any knowledge of any traveler who was prevented from visiting Eureka Springs because of the present rates, and one of the members of complainant commission in his testimony said:

The fact is, probably, a majority of the people do not know about this charge being made.

While these fares seem high and in excess of the average passenger fares, there are difficulties, already herein stated, which make transportation more costly. The construction of the road has caused the development of the country through which it runs, and the interest of the territory requires that the road be operated, receiving sufficient returns to enable it to meet fully its obligations to the people whom it serves.

The facts relating to transportation conditions and difficulties, in view of the deficit in the revenues of the defendant, justify, in our opinion a continuation of existing fares. At least there is no sufficient evidence to authorize an order reducing the fares complained of.

The complaint will be dismissed.

Commissioner CLARK took no part in the decision of this case.

No. 5702.
AMERICAN COAL & SUPPLY COMPANY
v.
CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL

Submitted October 29, 1913. Decided May 11, 1914.

Defendants' through charges for the transportation of soft coal from Indiana mines to Terra Cotta, Ill., via Chicago, found on the facts of record not unreasonable. Complaint dismissed.

I. W. Preetorius for complainant.

R. H. Widdicombe for Chicago & North Western Railway Company.

REPORT OF THE COMMISSION.

HARLAN, Chairman:

The complainant company is engaged in the business of selling soft coal which it secures in part from mines at Terre Haute, Hymera and Fontanet, in the state of Indiana. Among its customers is the American Terra Cotta & Ceramic Company, operating at Terra Cotta, in the state of Illinois, to which the complainant ships approximately 80 tons of coal a day from Terre Haute and the mines in that vicinity. The proceeding before us attacks the reasonableness of the through charges assessed on this traffic and is directed specifically against the portion of the charges applying west of Chicago.

The proportional rate on soft coal from Terre Haute and Hymera to Chicago is 67 cents per ton, and the distances are 178 and 204 miles, respectively. The proportional rate from Fontanet to Chicago is 77 cents per ton and the distance is 189 miles. There are no joint through rates in effect from those points to Terra Cotta and the charges are based upon these proportional rates plus the Chicago & North Western's local rate of 75 cents per ton from Chicago to destination, making through charges \$1.42 and \$1.52 per ton. The complainant alleges that the rate of 75 cents for the haul from Chicago to Terra Cotta, a distance of 46 miles, is unjust and unreasonable to the extent that it exceeds 60 cents per ton, and asks for reparation in the amount of \$523.05.

Terra Cotta is located upon the Lake Geneva branch of the Chicago & North Western Railway, extending from a connection with the main line at Crystal Lake, in Illinois, to Williams Bay, in the state

of Wisconsin. The density of traffic over this line is said to be about one-eighth of that over the main lines in Wisconsin and Illinois, and the delivery of coal to the American Terra Cotta & Ceramic Company also involves not only a branch-line service but a switch movement of approximately one mile from the station to the plant.

The evidence shows that the 75-cent rate complained of is 1 cent less than would be required under the scale fixed by the Illinois Railroad and Warehouse Commission after an investigation conducted by it for the purpose of establishing reasonable rates in Illinois. It also shows that the rates from the coal fields to all points on the line of the Chicago & North Western in Illinois, not affected by across-the-lake competition or the competition of direct lines, are made in the same way; that is, upon the combination of proportional rates to Chicago plus the local rates to destination, the latter based on or approximating the Illinois distance scale. The defendant contends, therefore, that although the movement from Chicago to Terra Cotta is unusually expensive, the rate assessed for the service is no different from that assessed for the less expensive service involved in movements between main line points, as, for example, from Chicago to Woodstock. Woodstock is a manufacturing point 51 miles from Chicago on the main line to St. Paul, and the rate from Chicago is 78 cents per ton, the Illinois distance rate for that mileage.

Some reference was made at the hearing to the fact that the Chicago & North Western maintains a rate of 60 cents per ton from Ladd, a station in the Illinois coal fields, to Terra Cotta, the distance being about 107 miles. It is explained by the carrier, however, that that rate applies between points grouped both as to origin and destination, and is made to meet the competition of direct lines extending between Chicago and points in the northern Illinois coal district. Reference was also made to the 60-cent rate on coal from Chicago to Milwaukee for a distance of 85 miles, but that rate, as is well understood, is governed largely by lake competition and is, therefore, not properly comparable with a rate to an interior point. The rate from Milwaukee to Madison, also 85 miles, is \$1 per ton. An exhibit introduced by the defendant compares the rate under attack with rates from Milwaukee and other points in the state of Wisconsin to short-haul destinations, and shows that the Wisconsin rates are materially higher for equal distances than rates in Illinois.

Upon full consideration of this matter we are of the opinion that the facts of record do not warrant a reduction in the rates as sought by the complainant. It appears that the present system of rate making has been in effect for a number of years, and that the rate of 75 cents applying from Chicago is lower than the maximum rate prescribed by the Illinois railroad and warehouse commission for

the distance here involved. While that rate itself may appear high when compared with the rates from the Indiana mines to Chicago, the through charges, yielding a revenue of from 5.68 to 6.46 mills per ton per mile, are apparently not excessive when the distances and the character of the service performed are considered. We therefore find that the complaint is without merit and must be dismissed. It will be so ordered.

Commissioner CLARK took no part in the decision of this case.

No. 6138.

MERIDIAN FERTILIZER FACTORY

v.

LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL.

Submitted February 11, 1914. Decided May 4, 1914.

Rate of \$3.56 per net ton for the transportation of phosphate rock from Mount Pleasant, and Centerville, Tenn., to Shreveport, La., not found to be unreasonable or unduly prejudicial. Complaint dismissed.

George T. Atkins, jr., for complainant.

William Burger for Louisville & Nashville Railroad Company.

R. Walton Moore and *Frank W. Gwathmey* for Nashville, Chattanooga & St. Louis Railway, Alabama & Vicksburg Railway Company, and others.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

Complainant is a corporation engaged in the manufacture and distribution of fertilizer, having its principal office at Meridian, Miss., and operating a plant at Shreveport, La. By complaint, filed September 25, 1913, as amended November 26, 1913, it alleges that defendants' rate of \$3.56 per ton of 2,000 pounds for the transportation of phosphate rock from Mount Pleasant and Centerville, Tenn., to Shreveport, is unreasonable, unjustly discriminatory, and in violation of section 4 of the act.

For a number of years complainant has maintained fertilizer manufacturing plants at Meridian and Hattiesburg, Miss. For the past six years it has maintained a mixing plant at Shreveport,

30 I. C. C.

receiving its acid phosphate from Meridian. Recently it has constructed a new plant at Shreveport. At this plant it is now proposed to manufacture acid phosphate by the usual process of combining phosphate rock and sulphuric acid.

Phosphate rock is principally mined in Florida, South Carolina, and Tennessee. The rock mined in Tennessee was, at the time of the hearing, valued at from \$3.25 to \$4 per ton at the mine. Mount Pleasant and Centerville are local points on the lines of the Louisville & Nashville and Nashville, Chattanooga & St. Louis railroads, respectively.

Complainant contends that a just and reasonable rate to apply on this traffic would be \$3 per net ton. Its claim is based mainly upon a comparison with the rate of \$3 per net ton in effect at the time of filing the complaint on phosphate rock, acid phosphate, and fertilizer material from Nashville, Tenn., to Shreveport, and the rate of \$2.43 per gross ton, equivalent to \$2.17 per net ton, on phosphate rock from Mount Pleasant and Centerville to New Orleans, La. The witness for the Louisville & Nashville Railroad testified that no phosphate rock is mined at or shipped from Nashville and that the \$3 rate from Nashville to Shreveport was established through error. Effective February 18, 1914, the carriers published from Nashville to Shreveport rates of \$3.56 on phosphate rock, \$3.60 on acid phosphate, and \$4 on fertilizer material.

Defendants state that the rates from Mount Pleasant and Centerville to New Orleans are unduly low, and were established in order to meet the rates effective on this traffic from Florida points to New Orleans via rail and water. It is said that phosphate rock is moved into Tampa, Fla., on short hauls at a rate of 50 cents per gross ton; and thence by water to New Orleans at a rate of \$1.50 per gross ton. During the period from December 1, 1912, to November 30, 1913, the Louisville & Nashville Railroad transported from the Mount Pleasant district to New Orleans only 3,000 tons, while from Florida points to New Orleans approximately 28,000 tons were transported. It was testified for the Nashville, Chattanooga & St. Louis Railway that it had not transported a shipment of this traffic from the Tennessee district to New Orleans under the present rate.

The short-line distance from Mount Pleasant to Shreveport is 588 miles, and the revenue per ton-mile under the \$3.56 rate is 6.05 mills. On behalf of the Louisville & Nashville Railroad it is said that the routes ordinarily used from Mount Pleasant to Shreveport involve a haul of 639 miles via Birmingham, Ala., and 642 miles via Memphis, thus making the yield per ton-mile about 5.6 mills. From Centerville to Shreveport the short-line distance is 564 miles and the revenue per ton-mile 6.3 mills.

The following statement was filed by complainant to show comparative rates on this traffic from Mount Pleasant to other destinations:

From Mount Pleasant, Tenn., to—	Distance.	Rate per net ton.	Yield per ton-mile
	Miles.		Miles.
Shreveport, La.....	588	\$3.56	6.5
Augusta, Ga.....	510	2.80	4.4
Charleston, S. C.....	639	2.68	4.1
Gulfport, Miss.....	521	2.20	4.2
Hattiesburg, Miss.....	411	2.06	5.4
Jackson, Miss.....	422	2.06	4.8
Laurel, Miss.....	382	2.06	4.3
Mobile, Ala.....	449	1.96	4.7
New Orleans, La.....	588	2.17	4.4
Pensacola, Fla.....	483	1.79	4.2
Savannah, Ga.....	608	3.35	5.2

The following statement, filed by the witness for the Louisville & Nashville, is illustrative of the comparisons made by defendants in support of the reasonableness of the rate in question:

	Distance.	Rate per net ton.	Yield per ton-mile
	Miles.		Miles.
From Mount Pleasant, Tenn., to—			
Shreveport, La.....	588	\$3.56	6.5
	642		4.6
	639		
From Centerville, Tenn., to—			
Enterprise, Miss.....	510	3.70	7.1
Douglas, Ga.....	599	3.72	6.2
Jacksonville, Fla.....	697	4.50	6.5
Valdosta, Ga.....	602	3.88	6.5
Louisville, Ga.....	559	3.35	6
Atlanta, Ga.....	362	2.45	6.2
Ellisville, Miss.....	457	3.16	6.9
Knoxville, Tenn.....	326	2.98	9.1
Vicksburg, Miss.....	449	3.00	6.7
Athens, Ga.....	435	2.80	6.4
Bristol, Tenn.....	457	3.30	7.1
Macon, Ga.....	450	2.80	6.2
Newnan, Ga.....	377	2.60	6.9
Opelika, Ala.....	447	2.60	5.2
Rome, Ga.....	321	2.45	7.6
Evansville, Ind.....	231	2.23	9.7
Cincinnati, Ohio.....	371	2.28	6.7
St. Louis, Mo.....	344	2.50	8.1

Defendants urge, and complainant concedes, that the rates to the Gulf ports shown in complainant's comparisons are compelled by water competition from the Florida district. Defendants further urge that the other points shown in complainant's statement are located in close proximity to the South Carolina and Florida phosphate-rock mines and that the rates to such points are made in competition with rates from South Carolina and Florida. On the other hand, complainant contends that at some of the points of comparison shown by defendants there are no mixing plants and that the distances used are in most instances very much less than from Mount Pleasant and Centreville to Shreveport.

In the case of *International Agricultural Corporation v. L. & N. R. R. Co.*, 22 _____, we considered the rates on sulphuric acid

from Copperhill, Tenn., to points in North Carolina, South Carolina, Georgia, and Florida, and established rates for the future. Among other rates we established one of \$3.95 from Copperhill to Wilmington, N. C., for a distance substantially the same as from the points of origin here involved to Shreveport. In that case, at page 493, we said:

The value of sulphuric acid at Copperhill is about the same as the value of phosphate rock in Tennessee or in Florida at the mine, and there is no apparent reason why substantially the same rate of transportation ought not to be applied. The loading of sulphuric acid is heavier than that of the rock, but, upon the other hand, the tank car always returns empty, while the box car in which the phosphate rock is transported may, and perhaps usually does, take a return load.

Complainant offered testimony to show that it built its new plant at Shreveport upon the assurance from representatives of Shreveport carriers that a lower rate would be established from the points of origin in question. The record is not clear on this matter, but even if the fact were established it would not in and of itself afford sufficient ground for finding the rate complained of to be unreasonable. Nor would it be material to this inquiry if it were established that such an agreement had been entered into between the parties to this proceeding. It does not appear that the rate in question is violative of section 4 of the act.

Upon consideration of all the facts of record we are unable to find that the rate in question is unreasonable or unjustly discriminatory. The complaint must therefore be dismissed, and it will be so ordered.

No. 5295.
TOLEDO PRODUCE EXCHANGE
v.
ANN ARBOR RAILROAD COMPANY ET AL.

Submitted November 20, 1913. Decided May 28, 1914.

The schedule of rates required by the order in the original proceeding, dated June 23, 1913, is superseded by a new schedule substantially agreed upon by the interested parties subsequent to a further hearing had on petitions of the carriers for modification of the order.

J. P. Muller for complainant.

W. W. Collin for New York Central lines.

L. E. Hinkle for Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company and Grand Rapids & Indiana Railway Company

M. R. Waite for Baltimore & Ohio Railroad Company and Cincinnati, Hamilton & Dayton Railway Company.

C. B. Sudborough for Vandalia Railroad Company.

C. S. Stinson for Wabash Railroad Company and its receivers.

R. P. Patterson for Pere Marquette Railroad Company and its receivers.

REPORT OF THE COMMISSION UPON HEARING FOR MODIFICATION OF ORDER.

MEYER, Commissioner:

The questions involved in this matter were considered in a decision rendered on June 23, 1913, 27 I. C. C., 536. The decision required the establishment, on statutory notice effective September 15, 1913, of rates from Toledo, Ohio, to New York, N. Y., in the ratio of 78 to 60—60 representing the Buffalo rates and 78 the Toledo rates—on ex-lake grain, domestic or export, and on export grain and flour, with the established differentials in the rates to other destinations. The report further suggested a revision of defendants' transit arrangements at Toledo in order to allow more free and full interchange of outbound shipments of grain among the lines reaching that point.

Pursuant to representations to the effect that the preparation of the necessary tariffs could not be completed in time to file them within the 30 days' notice required by law, an order was entered on August 15, 1913, allowing the tariffs in question to be filed not later

than September 1, but not changing the effective date of the original order. The tariffs went into effect September 15.

Meanwhile petitions were presented on behalf of several of the carriers defendant asking for a rehearing. The Commission, by an order of October 6, 1913, granted a supplemental hearing on the question of modification of the order. This hearing was held on November 20, 1913, at which time both the complainant and the carriers presented further testimony.

Subsequent to this hearing it was represented to the Commission that an amicable settlement of the case might be reached between the complainant and the carriers, on the basis of the new record, without briefs, oral argument, and a further formal decision on the part of the Commission. We are advised that numerous conferences have been had between the interested parties and several have been held with the Commission.

As a result of these conferences certain rates have been agreed upon, and others have been acquiesced in. Neither party is entirely satisfied, but both parties have indicated their willingness to submit to an actual trial of the rates which are given below in cents per 100 pounds:

Rates from Toledo, Ohio.	Local; all grain.	Ex-lake.		All-rail reshipping; all grain.
		Oats.	All other grain.	
Domestic, to—				
New York.....	15½	14	13½	13½
Boston.....	17½	15½	15½	15½
Philadelphia.....	13½	12½	12	11½
Baltimore.....	12½	12	11	10½
Export, to—				
New York.....	12½	12	11½	11½
Boston.....	12½	12	11½	11½
Philadelphia.....	12½	11	10½	10½
Baltimore.....	12	11	10	10

Rates from Toledo, Ohio.	Local products.	Ex-lake.		All-rail reshipping; all products.	All-rail reshipping; all products except flour.
		Oats products.	Products, other grain.		
Domestic, to—					
New York.....	16	14½	14	14	.....
Boston.....	18	16	16	16	.....
Philadelphia.....	14	13	12½	12	.....
Baltimore.....	13	12½	11½	11	.....
Export, to—					
New York.....	12½	12½	12	12	13
Boston.....	12½	12½	12	12	13
Philadelphia.....	12½	11½	11	11	11
Baltimore.....	12	11½	10½	10	10

1 Flour only.

NOTE 1. All grain rates subject to transit privileges of the several roads in central freight association territory over which the grain passes.
 NOTE 2. These reshipping rates from Toledo will apply on all grain and grain products originating at points from which there are no through rates in effect, from point of origin to destination, via the route over which the grain must move.
 NOTE 3. Baltimore rates apply to Virginia cities.

Both parties have expressly reserved the right to bring certain, or all, of the above rates to the attention of the Commission in a subsequent proceeding in the event that actual experience under them should prove to be unsatisfactory. Under these circumstances, and with this understanding, the rates now in effect may be superseded by those stated above. An order will be entered requiring the defendant carriers to file with the Commission new schedules incorporating the above rates as maxima effective August 1, 1914.

Commissioner CLARK took no part in the decision of this case.
80 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 341.
SWITCHING AT ARCADE, N. Y.

Submitted April 13, 1914. Decided June 8, 1914.

Tariff of respondent Buffalo, Attica & Arcade Railroad Company, which proposes to withdraw its switching charges on traffic handled by the Buffalo & Susquehanna Railway Company to and from industries on the line of respondent at Arcade, N. Y., ordered to be canceled.

James O. Moore for Buffalo, Attica & Arcade Railroad Company.
W. A. Mackenzie for Merrell-Soule Company.

REPORT OF THE COMMISSION.

HARLAN, *Chairman*:

The tariff here under suspension cancels switching rates between industries located on the Buffalo, Attica & Arcade Railroad Company in Arcade, in the state of New York, and a connection with the Buffalo & Susquehanna Railway in that village. The tariff now in effect provides for a charge of \$3 per car for this service, which is absorbed by the Buffalo & Susquehanna. The cancellation of the switching tariff would leave no rates in effect between the industries affected and the Buffalo & Susquehanna Railway and a protest was therefore made by certain shippers having direct connections with the tracks of the respondent. Of the protestants, the Merrell-Soule Company alone appeared at the hearing.

The Buffalo, Attica & Arcade Railroad is a short line wholly within the state of New York, and approximately 29 miles in length. It extends from Attica through Arcade to a junction with the Pennsylvania Railroad about 1½ miles beyond that point. At Attica it connects with the Erie Railroad, and, by means of that line, also connects with the New York Central lines. Through routes and joint rates in connection with the Erie and the Pennsylvania are in effect to and from all points on the Buffalo, Attica & Arcade, thus affording shippers served by the respondent ample facilities for reaching all parts of the country. The same joint arrangement is in effect with the Buffalo & Susquehanna with respect to all points on the line of the respondent, except Arcade. On shipments to and from Arcade the respondent does not have a division of a joint rate, but receives from the Buffalo & Susquehanna only the switching charge which it now seeks to cancel.

In justification of its proposed action, the respondent recites the history of the original establishment of the switching arrangement at Arcade, and, briefly, that history is as follows:

The Buffalo, Attica & Arcade Railroad was in existence many years prior to the building of the Buffalo & Susquehanna. The latter line was promoted and built by the "Goodyear interests," and in order to avoid heavy expenditures incident to the construction of an overhead crossing at Arcade, the same interests purchased outright the property of the Buffalo, Attica & Arcade and thereafter operated the two companies under one management. All the industries at Arcade were adjacent to the tracks of the Buffalo, Attica & Arcade and to reach those industries the Buffalo & Susquehanna, through its control of the Buffalo, Attica & Arcade, established and put in effect a switching charge of \$2 per car, thus subjecting, it is alleged, the interests of the respondent to those of the larger company. When, in the year 1910, the Buffalo & Susquehanna went into the hands of a receiver, the identity of the two roads was separated and shortly thereafter the Buffalo, Attica & Arcade succeeded in having the switching rate increased to \$3 per car. On July 1, 1913, the General Railway Company secured a lease of the property with an option to purchase it, and immediately upon securing control the new management endeavored to persuade the officials of the Buffalo & Susquehanna to take action toward establishing through routes and joint rates to and from the industries at Arcade on a plan similar to that in effect in connection with the Pennsylvania Railroad, which provided for a division of the rate. It was pointed out that the Buffalo, Attica & Arcade was not a terminal railroad, that it was an independent line in active competition with the Buffalo & Susquehanna, and that it should not in fairness be required to give the use of its facilities at its most important and populous station to a competing company for a flat charge of \$3 per car. No reciprocal arrangement is here involved, and by the switching tariff the Buffalo, Attica & Arcade is forced to deliver freight originating on its line in Arcade to the Buffalo & Susquehanna, and to receive freight from that line for delivery to the local industries, although, with the exception of coal produced at mines located on the Buffalo & Susquehanna, referred to below, the freight could be as cheaply and expeditiously handled through the connections with the Erie and Pennsylvania railroads, and upon the basis of a division of the rate yielding it substantially larger revenues.

The protest of the Merrell-Soule Company is directed against the cancellation of the switching rate for the reason that the free transfer in Arcade of coal originating at mines on the Buffalo & Susquehanna in the state of Pennsylvania will thus be eliminated. It is of record that the interests of the protestant will suffer in no wise

from the withdrawal of the switching rate except on its shipments of coal, and the testimony was directed largely to that feature of the case.

The position of the respondent, as expressed in its brief, is that it has no desire to sever connections with the Buffalo & Susquehanna, but vigorously resents being used as a terminal for the Buffalo & Susquehanna and being deprived of its legitimate revenues by that company by reason of the advantages which the switching arrangement affords to it. The Buffalo & Susquehanna was not made a party to this proceeding and it did not appear at the hearing.

An exhibit was introduced showing that the operations of the Buffalo, Attica & Arcade are conducted annually at a deficit, and it is urged that this condition is brought about largely through the operation of the switching arrangement which denies it the opportunity of participating in the incoming and outgoing traffic on the basis of a division of the rate. Reference is made to that portion of section 3 of the act to regulate commerce which provides that common carriers should not be required to give the use of their tracks or terminal facilities to other carriers engaged in like business, and it is shown that the present arrangement with the Buffalo & Susquehanna, which gives to that carrier an advantage in reaching the principal industries at Arcade which is not accorded to the Pennsylvania Railroad, was allowed only under the duress of a common interest controlling the two roads.

It has been frequently recognized by the courts and by this Commission that the terminal facilities of a carrier are of special value to it, and this fact may reasonably be reflected in the amount of compensation derived from the use of those terminals by connecting lines. It is apparent that the real controversy here is one between carriers and involves the question as to what would constitute a reasonable return to the respondent for the use of its Arcade terminals by the Buffalo & Susquehanna, a matter in which the protestant is not at all interested. Although, as has been said, the latter carrier was not a party to this proceeding, its opposition to entering into any joint arrangement which would require it to shrink its revenue beyond the present amount of \$3 a car is clearly defined of record.

Upon full consideration of all the facts appearing of record we find nothing which to our mind justifies an increase in the charges to the shippers in Arcade such as would result from withdrawal of the application of the Arcade rates to and from the industries on the line of the respondent, and for that reason we can not give our approval of the proposed tariff. We shall therefore require the respondent to withdraw the tariff by which it proposes to cancel its

switching charges on traffic handled by the Buffalo & Susquehanna to and from industries on the line of the respondent at Arcade, thus requiring it to continue for the present the application of the Arcade rate to and from those industries. In taking this course we do not mean to be understood as now expressing the definite and final conclusion that the present Arcade rate is the proper rate for those industries to pay; the real controversy, as heretofore indicated, is one of divisions as between the respondent and the Buffalo & Susquehanna. In our judgment that question ought not to be determined upon this record or in this manner. As a matter of fact, it can not well be determined except upon a record to which the Buffalo & Susquehanna is a party. The existing switching tariff, under all the circumstances, may not afford the Buffalo, Attica & Arcade the full measure of compensation to which it is entitled as against the Buffalo & Susquehanna Railway Company. It is not proper, however, to adopt a course that will put an extra burden upon the shippers while that controversy is being fought out by the carriers. The record leaves us under the impression that the respondent is entitled to more revenue than it now gets on traffic handled to and from Arcade by the Buffalo & Susquehanna. That, however, is a question which can not finally be determined on this record. We suggest a conference between the respondent and the Buffalo & Susquehanna with respect to this controversy, and in the event of their failure to reach an agreement the matter can be brought to our attention. For the present our order will go no further than to require the respondent to withdraw the tariff canceling the switching charges.

Commissioner CLARK took no part in the decision of this case.

80 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 344.
COAL RATES FROM OAK HILLS, COLO.

Submitted April 2, 1914. Decided May 11, 1914.

Proposed joint rates of the Denver & Salt Lake Railroad Company and Chicago, Rock Island & Pacific Railway Company, for the transportation of bituminous coal from Oak Hills, Colo., to destinations on the line of the Rock Island found not to be justified, and Walsenburg district basis of rates via the Rock Island to the same destinations ordered in lieu thereof.

Albert L. Vogl and Carle Whitehead for Moffat Coal Company, Routt County Fuel Company, and other protestants.

Tyson S. Dines and Tyson Dines, jr., for Denver & Salt Lake Railroad Company.

Wallace T. Hughes and W. F. Dickinson for Chicago, Rock Island & Pacific Railway Company.

REPORT OF THE COMMISSION.

HALL, Commissioner:

Bituminous coal is mined at Oak Hills, Colo., a point on the main line of the Denver & Salt Lake Railroad Company, hereinafter called the Moffat road. The eastern terminus of that road is Denver, Colo., which is one of the western termini of the Chicago, Rock Island & Pacific Railway Company, hereinafter called the Rock Island. Shipments of coal from Oak Hills to destinations on the line of the Rock Island in Kansas, Nebraska, and Missouri were made on combination rates based on Denver until August 18, 1913, when the first joint rates of the two roads on bituminous coal from Oak Hills to said destinations became effective. The joint rates showed substantial reductions from the previous combination rates. Shortly afterwards the two roads filed and published a second joint tariff to become effective November 25, 1913. This showed increases over rates in the first joint tariff. Bituminous coal operators at Oak Hills protested, and the second joint tariff was suspended by the Commission pending its investigation in this proceeding.

The tariff under suspension makes practically no changes in the rates from Oak Hills on lump coal. The proposed rates on nut coal include many reductions, a few increases, and some instances of no change. As to slack and mine run the proposed rates, with few exceptions, show as increases, and it is to these that the protests are directed in the main. The basis in effect from the Walsenburg, Colo.,

district is followed in grouping the kinds of coal. The Walsenburg rates are in some instances higher on certain grades than the present Oak Hills rates to the same destinations, although in most cases the comparison shows the contrary result.

In 1906 the Rock Island had published certain proportional rates from Denver, restricted to *lignite* coal originating at specified stations in northern Colorado. In 1909 these proportional rates were made applicable to the movement of *bituminous* coal, mine run and slack, from Denver, when originating at Oak Hills. In the first joint tariff, establishing the present rates, the Moffat road used these proportionals as divisions to be allowed the Rock Island out of the rates on mine run and slack coal. But on lump and nut coal the Rock Island was allowed for its haul east of Denver a higher division, being the same revenue per ton-mile as it earns east of Pueblo, Colo., its other western terminus, on bituminous coal from the Walsenburg district to the same destinations. To complete the joint through rates on all grades of coal from Oak Hills the Moffat road added to the Rock Island divisions approximately the same revenue as it now receives on coal from Oak Hills to Denver destined for points on the lines of the Union Pacific Railroad Company and the Chicago, Burlington & Quincy Railroad Company.

The following table shows a comparison of the present rates, the proposed rates, and the rates from the Walsenburg district, to representative destinations on the Rock Island, per net ton:

To—	Present rates from—					Proposed rates from Oak Hills	
	Walsenburg.		Oak Hills.			Nut or slack.	Other than nut or slack.
	Nut or slack.	Other than nut or slack.	Slack.	Mine run.	Other than slack or mine run.		
.....	\$3.50	\$3.75	\$4.05	\$4.05	\$4.16	\$3.95	\$4.16
.....	3.50	3.75	4.05	4.05	4.16	3.95	4.16
.....	3.50	3.75	4.05	4.05	4.16	3.95	4.16
.....	3.75	3.75	3.97	3.97	4.07	3.95	4.07
.....	3.75	3.75	3.55	4.05	4.17	4.17	4.17
.....	3.75	3.75	3.55	4.05	4.14	4.14	4.14
.....	3.75	3.75	3.55	4.05	4.15	4.15	4.15
.....	3.50	3.75	3.40	3.50	3.97	3.82	3.97
.....	3.50	3.75	3.40	3.50	3.97	3.80	3.97
.....	3.50	3.75	3.40	3.50	3.94	3.76	3.94
.....	3.20	3.45	3.20	3.40	3.51	3.38	3.51
.....	3.20	3.25	3.00	3.20	3.25	3.25	3.25
.....	3.20	3.25	3.00	3.20	3.25	3.20	3.25
.....	3.20	3.25	2.98	3.18	3.25	3.20	3.25
.....	3.20	3.25	2.95	3.15	3.25	3.20	3.25
.....	3.00	3.00	2.92	3.00	3.00	3.00	3.00
.....	2.75	2.75	2.75	2.75	2.75	2.83	2.75
.....	3.50	3.75	4.05	4.05	4.16	3.95	4.16
.....	3.50	3.75	4.05	4.05	4.16	3.95	4.16
.....	3.50	3.75	3.65	4.05	4.16	3.95	4.16
.....	3.75	3.75	3.55	4.05	4.15	4.15	4.15
.....	3.50	3.75	3.50	3.97	4.04	3.95	4.04
.....	3.50	3.75	3.50	3.97	4.04	3.95	4.04
.....	3.50	3.75	3.50	3.97	4.03	3.95	4.03
.....	3.50	3.75	3.50	3.97	4.00	3.95	4.00
.....	3.50	3.75	3.89	4.08	4.08	3.99	4.08

The record herein is somewhat unique. On behalf of the Rock Island we are advised that the extension, in 1909, of the application of its proportional rates on lignite coal from Denver, to take in bituminous coal, was the unauthorized act of a clerk; that the maintenance of that extended application for four years was by inadvertence; that the Rock Island never intended to become a party to such joint rates as are now in effect, and so advised the Moffat road, because the Rock Island's divisions of such rates are not satisfactory; and that its approval of the present tariff was another act of subordinates, who misunderstood their instructions. To all of which the Moffat road answers that the joint rates were constructed in accordance with its understanding of the agreement, and that the tariff was regularly approved by the Rock Island.

The protestants naturally take the position that disputes between carriers over divisions should not be permitted to disturb the maintenance of reasonable rates. They say that there is no good reason why the Walsenburg basis of rates should not apply from Oak Hills, and ask that the Commission's order herein require the establishment of such rates. The Moffat road, in connection with the Union Pacific Railroad Company and the Chicago, Burlington & Quincy Railroad Company, now carries that basis of rates from Oak Hills to destination territory parallel to that of the Rock Island. It further appears that the proposed rates, as well as the present rates from Oak Hills to four Colorado points on the Rock Island immediately east of Limon, Colo., are on its Walsenburg basis. These rates were voluntarily named by the Rock Island. It is at Limon that Oak Hills coal and Walsenburg coal meet on the way east, and from that point onward the Rock Island's service on either is identical to the same destination. Protestants argue that as the Walsenburg basis was voluntarily named from Oak Hills to four points immediately east of Limon, it is entirely just to apply it to all points farther east, and they express willingness to accept that basis, although it will involve some advances. The Moffat road makes no objection to this Walsenburg basis, and offers to the Rock Island as its division of such rates the same amount now accepted by the Union Pacific and the Burlington out of similar rates.

But the Rock Island vigorously asserts that it should not be compelled to further continue the maintenance of rates named as the result of error and misunderstanding. Equally vigorous is its insistence that this Commission, under section 15, has no power in this proceeding to name Walsenburg rates from Oak Hills, and certainly not where the proposed rates are not "new" rates, but merely a restatement of the present rates. Beyond this it contends that there are no facts of record which warrant the application of the Walsenburg rates from Oak Hills. It points out that the mileage

from Oak Hills is greater than from Walsenburg to Rock Island destinations, and that there are great operating difficulties on the Moffat road—greater, it is claimed, than are met with by the carriers in the Walsenburg district.

Under section 15, paragraph 1, of the act, the Commission, on its own initiative, whenever it is of the opinion that any rates demanded, charged, or collected are in any way unlawful, may enter upon an investigation, hold full hearings, and determine and prescribe just and reasonable rates. Where new rates are filed the Commission, under section 15, paragraph 2, is authorized by similar means to determine the propriety of such new rates and, pending such determination, to suspend the operation of the schedules stating such new rates. In connection with the latter hearing the statute casts upon the carrier the burden of justifying any increased rates.

As has already been observed, the proposed rates include some increases over and some decreases under the present rates, while in other cases the proposed rates are the same as the present. The order herein shows plainly the intent of the Commission to enter upon a hearing concerning the propriety of the increases and the lawfulness of the rates under suspension, and provides that the operation of *all* schedules contained in the proposed tariff be suspended. Clearly, when the proposed rates involve increases or decreases they are new rates, and as to them the Commission's jurisdiction in this proceeding is full and complete by virtue of the second paragraph of section 15. If the rates in which no change is proposed be not new rates, then they are necessarily rates "demanded, charged, or collected," and their investigation in this proceeding is proper under the first paragraph of section 15. And certainly there can be no doubt under the second paragraph of the Commission's power to suspend in its entirety the schedule stating these rates.

The Rock Island's recital of errors, omissions, and misunderstandings does not convince this Commission that the proposed increases in rates are just. The record as a whole savors largely of a dispute over divisions, incident to a question of traffic policy, and the contention of the Rock Island that Walsenburg rates should not apply from Oak Hills appears to be secondary to that dispute. It is true that to Rock Island destinations the haul from Oak Hills is greater than from Walsenburg. It is also true that the Moffat road suffers the disability of severe operating conditions. Whether such conditions are more severe than those in the Walsenburg district is a matter of dispute in this record. Certain it is that prior proceedings before this Commission have demonstrated that in many respects operating conditions in the Walsenburg district are similar to what this record shows to exist on the Moffat road. Other carriers, however, in con-

nection with the Moffat road have named Walsenburg rates from Oak Hills into territory parallel with the Rock Island, and satisfactory divisions have been agreed upon. The record shows that Oak Hills coal and Walsenburg coal are competitive in this destination territory. The Rock Island itself, in the rates which it now proposes, names Walsenburg rates, and these are the same as the present rates, from Oak Hills to four destinations east of Limon. The importance of this fact, when brought out upon hearing, was immediately recognized, and the Rock Island representatives were invited to explain it. No explanation has been forthcoming. The Commission's opinion is that if Walsenburg rates can be voluntarily applied by the Rock Island from Oak Hills to any point east of Limon there is no good reason why such rates should not be applied to all points involved east of Limon. Indeed, if the differences in mileage and operating conditions favor Walsenburg as against Oak Hills, and can be overlooked in the comparatively short hauls to points just to the east of Limon, they may far more easily be overlooked and equalized in rates named to destinations many miles to the east of Limon.

The order in this case will require the cancellation of the proposed rates, and in lieu of the rates now in effect will require the establishment of rates from Oak Hills via the Moffat road and Denver to Rock Island destinations which shall equal the rates now in effect from the Walsenburg district via Pueblo and the Rock Island to the same destinations. It is the expectation of the Commission that the Moffat road and the Rock Island will be able to agree upon divisions of such rates. No opinion is expressed here as to the reasonableness of the divisions which the Rock Island asks east of Denver, nor of the divisions which the Moffat road offers to the Rock Island.

Commissioner CLARK took no part in the decision of this case.

INVESTIGATION AND SUSPENSION DOCKET No. 311.

RATES ON BANANAS FROM NEW ORLEANS, LA., GALVESTON, TEX., AND OTHER GULF PORTS TO TOPEKA, KANS., LINCOLN AND BEATRICE, NEBR.

No. 5207.

TOPEKA TRAFFIC ASSOCIATION

v.

ALABAMA & VICKSBURG RAILWAY COMPANY ET AL.

No. 6053.

WICHITA PRODUCE COMPANY ET AL.

v.

ALABAMA & VICKSBURG RAILWAY COMPANY ET AL.

Submitted January 7, 1914. Decided June 8, 1914.

In Topeka Traffic Asso. v. A. & V. Ry. Co., 27 I. C. C., 428, the Commission held that the maintenance of higher rates by defendants for the transportation of bananas in carloads from New Orleans, La., and Galveston, Tex., to Topeka, Kans., than they contemporaneously maintained and charged to Lincoln and Beatrice, Nebr., was unjustly discriminatory against Topeka, and defendants were required to remove the discrimination. To comply with the Commission's order defendants proposed to increase the rates from the points named to Lincoln and Beatrice. The proposed increased rates having been suspended and a general investigation having been made into the rates on bananas from Gulf ports to points in Nebraska and Kansas, Held—

1. That carriers have not justified the proposed increased rates from New Orleans, La., and Galveston, Tex., to Lincoln and Beatrice, Nebr., and that the schedules under suspension should be canceled.
2. That the rate from New Orleans to Topeka, Kans., should not exceed the rate from New Orleans to Kansas City, Mo., by more than 8 cents per 100 pounds, and should not be higher than the rate contemporaneously charged from New Orleans to Lincoln or Beatrice, Nebr.
3. That the rates from New Orleans to Hutchinson and Wichita, Kans., should not exceed the rate contemporaneously in effect from New Orleans to Topeka.

Frank W. Gwathmey, R. Walton Moore, and M. Carter Hall for Illinois Central Railroad Company; New Orleans & Northeastern Railroad Company; and other carriers.

J. W. Allen for Missouri, Kansas & Texas Railway Company; and Missouri, Kansas & Texas Railway Company of Texas.

Fred G. Wright, Henry G. Herbel and *Martin L. Clardy* for Missouri Pacific Railway Company; St. Louis, Iron Mountain & Southern Railway Company; Texas & Pacific Railway Company; and International & Great Northern Railway Company.

W. F. Dickinson and *W. T. Hughes* for Chicago, Rock Island & Pacific Railway Company; Chicago, Rock Island & Gulf Railway Company; Trinity & Brazos Valley Railway Company; and St. Paul & Kansas City Short Line Railroad Company.

T. J. Norton, D. L. Meyers, and *J. R. Koontz* for Atchison, Topeka & Santa Fe Railway Company.

Fred H. Wood and *Thomas Bond* for St. Louis & San Francisco Railroad Company.

H. A. Scandrett and *James G. Wilson* for Morgan's Louisiana & Texas Railroad & Steamship Company, Louisiana Western Railroad Company, and others.

U. G. Powell for Nebraska State Railway Commission.

Walter S. Whitten for Lincoln Commercial Club.

A. M. Conners for Commercial Club of Grand Island, Nebr.

Robert Pease and *Morgan Freshman* for Beatrice, Nebraska, Commercial Club.

E. H. Hogueland and *Roscoe Hambric* for Wichita and Hutchinson produce companies.

H. T. Driscoll for Topeka Traffic Association.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

These cases involve rates on bananas in carloads from New Orleans, La., and Galveston, Tex., to points in Kansas and Nebraska, all such rates being stated in cents per 100 pounds.

In *Topeka Traffic Asso. v. A. & V. Ry. Co.*, 27 I. C. C., 428, defendants' rates of 70 and 80 cents to Topeka, Kans., on bananas in carloads from Galveston and New Orleans, respectively, were alleged to be unreasonable and unduly discriminatory, as compared with competitive points. We held that the rates in question were unjustly discriminatory, to the extent that they exceeded the rates contemporaneously applied on like traffic from Galveston and New Orleans to Lincoln or Beatrice, Nebr., and ordered that the discrimination be removed.

By tariffs filed to become effective September 15, 1913, defendants sought to comply with our order to cease and desist from such discrimination by increasing the Lincoln and Beatrice rates from New Orleans and Galveston to the Topeka basis. The Nebraska State Railway Commission and shippers in Nebraska protested the in-

creased rates and the tariffs were suspended by us, pending an investigation, to July 13, 1914. This proceeding is now *Investigation and Suspension Docket No. 311*.

On September 11, 1913, the date of the above suspension, we vacated and set aside our order in *Topeka Traffic Asso. v. A. & V. Ry. Co. supra*, and reopened that case for further hearing, particularly with reference to the rates on bananas from New Orleans and Galveston to Topeka, Kans., Kansas City, Mo., Omaha, Lincoln, and Beatrice, Nebr., and to the proper adjustment of such rates between said destinations.

On June 16, 1913, a petition was filed, on behalf of fruit jobbers at Wichita and Hutchinson, Kans., in which it is alleged that the rates to those points from both Galveston and New Orleans are unjust, unreasonable, and unduly prejudicial. Wichita and Hutchinson enjoy the same rates as Topeka, namely, 80 cents from New Orleans and 70 cents from Galveston.

These three cases and fourth section applications Nos. 639 and 2176, in so far as the latter are applicable to the rates here involved were heard together, and all will be disposed of in this report except the fourth section applications, which will be dealt with in our report on the general situation.

New Orleans is the axis on which the banana rates from other Gulf ports turn, and it is proper to consider first the rates from that port before taking up the rates from Galveston, which are certain differentials over or under the New Orleans rates, depending on the destination of the traffic. The rates in question are specific rates and somewhat lower than third-class rating in western classification which would otherwise apply. The rates and distances, via the routes of movement, from New Orleans to the points involved, are shown in the table below, which will also show the third-class rates, and the percentage the banana rates are of the third-class rate.

From New Orleans to—	Distance.	Commodity rate.	Third-class rate.	Commodity rate is per cent of third-class rate.
Kansas City, Mo.....	879	63	65	96.9
Topeka, Kans.....	947	80	84	95.2
Hutchinson, Kans.....	1,009	80	104	76.9
Wichita, Kans.....	961	80	104	76.9
Omaha, Nebr.....	1,073	67	69	97
Lincoln, Nebr.....	1,087	71	73	97.3
Beatrice, Nebr.....	1,076	71	93	76.3

In attempting to justify the proposed increased rates involved in *Investigation and Suspension Docket No. 311*, defendants contend that our order gave them the option of either increasing the rates to Lincoln and Beatrice or reducing the rate to Topeka. They advanced

the rates to the Nebraska points and argue in justification of their course that it has been affirmatively established beyond question by former decisions that the present rate from New Orleans to Topeka is just and reasonable for the service performed. In support of that contention they cite *Topeka Banana Dealers' Asso. v. St. L. & S. F. R. R. Co.*, 13 I. C. C., 620, decided in 1908, and *Topeka Traffic Asso. v. A. & V. Ry. Co.*, *supra*, and other decisions involving rates on bananas in the southwest.

At the hearing in the instant cases defendants stated that their justification of the proposed increased rates to Lincoln and Beatrice would practically depend on the evidence introduced in defense of the formal complaints, and their defense in these three cases has been introduced as a whole. In view of this situation we will first consider the reasonableness of the present rate of 80 cents from New Orleans to Topeka and thereafter we will consider the Lincoln and Beatrice situation and the Hutchinson and Wichita complaint.

It appearing that our decisions in the former *Topeka cases* have been interpreted by defendants as an affirmative finding that the present rate from New Orleans to Topeka is reasonable, it is necessary that we make a brief statement of the facts in those cases and our conclusions therein, so far as they relate to the instant question. In the *Topeka Banana Dealers' Asso. case, supra*, one of the issues was the relative reasonableness of the rates from New Orleans and Mobile to Kansas City, Mo., Topeka, Iola, Parsons, and Hutchinson, Kans., as compared with rates from those ports to Chicago, Ill., St. Louis, Mo., Burlington, Ia., and other points.

There was very little testimony introduced in the record of the case last cited tending to show that the rates to the Kansas points were relatively unreasonable as compared with each other or as compared with the rates to Kansas City. The issues were practically resolved into one of relative reasonableness of the Kansas City rate as compared with the rate to Chicago, St. Louis, and other points. In our conclusion we held that the rate to Kansas City was not unreasonable as compared with the rates to Chicago and the other points involved.

In *Topeka Traffic Asso. v. A. & V. Ry. Co.*, *supra*, the reasonableness and alleged unduly discriminatory character of the rates from both New Orleans and Galveston to Topeka were put in issue, but the real substance of the complaint was that the rates were unduly prejudicial and relatively unreasonable. While it is true that we did not find the Topeka rates to be unreasonable *per se*, we did find that they were relatively unreasonable, and we are unable to agree with defendants' interpretation of our findings in that case. Since that case has been reopened for further hearing new evidence has been introduced, and we come, therefore, to a reconsideration of the ques-

tion of the reasonableness of the rate from New Orleans to Topeka in the light of the additional evidence adduced, for upon the proof of its reasonableness depends, in part, the justification of the proposed increased rates to Lincoln and Beatrice and, to a certain extent, the relative reasonableness of the present rates to Wichita and Hutchinson.

RATE FROM NEW ORLEANS TO TOPEKA.

Topeka is 947 miles from New Orleans via the Illinois Central to Memphis; St. Louis & San Francisco, hereinafter referred to as the Frisco, to Kansas City; and the Chicago, Rock Island & Pacific, hereinafter referred to as the Rock Island, beyond, and the banana traffic chiefly moves via this route. In addition to the Rock Island, the Union Pacific; Atchison, Topeka & Santa Fe; and Missouri Pacific railroads reach Topeka. Prior to 1902 the rate from New Orleans to Topeka was 82 cents, based on the commodity rate of 63 cents to Kansas City and the local rate of 19 cents beyond. The rate to Hutchinson and Wichita at that time was 95 cents. In that year the Frisco first reduced the New Orleans-Wichita rate to 80 cents, following which Topeka and Hutchinson were put upon the same basis by defendants. The distances from, and the relative situation of Topeka to, other Kansas and Missouri jobbing points are stated in our former report. While it was contended by the Topeka jobbers in the original proceeding that they compete with Lincoln and Beatrice, this is specifically denied by the Nebraska jobbers, who assert that if there is any competition with the Topeka jobber, it is negligible and restricted to the extreme northeastern part of Kansas.

Dealers at Topeka receive from New Orleans approximately 200 cars of bananas annually, which are jobbed in small quantities, and they testify that they can compete with jobbers located at other points in Kansas and at Kansas City only in a very limited zone; that this zone extends north about 80 miles to Marysville, Kans., on the south 34 miles to Osage City, Kans., and on the west 97 miles to Morganville, Kans., and includes only one point east of Topeka; that bananas are a staple commodity with a wholesale fruit dealer and a dealer who is unable to supply his customers with bananas will not ordinarily be able to secure orders for other fruits and vegetables; that to meet other jobbers' prices they must equalize the differences in rates, and the banana business with most of the jobbers is conducted at a loss.

Topeka dealers complain of Wichita and Hutchinson competition; Wichita and Hutchinson complain of Topeka, and all three points complain of Kansas City competition. Defendants contend that the evidence of protestants and complainants in these formal cases is directed to alleged jobbing disabilities and disadvantages. They argue

that the testimony plainly shows that the jobbing situation is controlled principally by the adjustment of local outbound rates from jobbing points; that in actual practice bananas are distributed and sold in "substantial disregard of the transportation charges whatever they may be," and that Topeka jobbers can not consistently lay to the door of Kansas City competition a loss in conducting their banana business, when it is undisputed that in the total freight cost to interior country destinations, Topeka enjoys an actual advantage over Kansas City of 3 cents per 100 pounds to practically all points west of Topeka. Regardless of whether the jobbing situation is controlled by outbound rates from jobbing points we think that fact is no justification for depriving any locality of just and reasonable inbound rates. While it is true that to practically all points west of Topeka its jobbers have an advantage in the rate of 3 cents per 100 pounds over Kansas City it appears of record that Topeka has very little advantage, if any, to the territory east of it.

The 63-cent rate to Kansas City was established so long ago that it antedates the records of defendants, and its history is unknown to witnesses who testified for the carriers. As was said in our former report in the *Topeka Traffic Asso. case*:

We think it clear that the rate on bananas from New Orleans to Kansas City is not materially influenced by the rate through Baltimore nor is it in any proper sense compelled by water competition. The rate to Kansas City results from the competition through the ports of Mobile, New Orleans, and Galveston, and the lines leading therefrom, most of whom are defendants in this case, have a controlling voice in the making of those rates.

It is not contended that the rates to Kansas City are less than remunerative and the fact that they have been so long maintained and that the volume of traffic has increased in recent years raises a strong presumption that they are reasonable and profitable to the carriers; certainly from the facts before us on the present record, the carriers could not justify a rate higher than the present third-class rate from New Orleans to Kansas City.

Bananas are handled now in substantially the same manner as in 1908. Our report in the *Topeka Banana Dealers Association case*, sets out the situation fully in that regard, and it will not be necessary to reiterate the different services described therein. At that time, however, bananas moved in ventilated refrigerator cars without icing. The United Fruit Company, principal importer of bananas to this country, discovered that in the summer months, at least, this method of transportation did not keep the fruit in the best condition, and for the past two years the greater number of cars shipped have been iced. The record is not clear, however, as to who pays for this icing. In 1908 a train load of bananas averaged from 25 to 30 cars, At the present time it will average from 30 to 35 cars, but defendants

state that this average is decreased by about three cars, when the bananas are iced, as from 3 to 5 tons of ice in each car increases the gross weight to that extent. Also that the icing causes additional expense in the nature of extra switching and train delays. On the other hand Topeka dealers allege that the schedule from New Orleans has been lengthened by practically 24 hours. Formerly cars would arrive on the third day; now four days are required.

The Illinois Central and New Orleans & Northeastern move about 90 per cent of the banana traffic from New Orleans. During the year ending June 30, 1912, the Illinois Central hauled 17,789 carloads, while in the year ended September 30, 1913, the New Orleans & Northeastern handled 10,040 cars. The Illinois Central owns 2,900 refrigerator cars exclusively engaged in this service and has 500 more under construction. It alleges that in 1908 these cars cost about \$1,000 each, but that the new ones under construction cost \$1,575. The New Orleans & Northeastern does not own the refrigerator cars used in its banana traffic, but, in connection with the Mobile & Ohio, has an arrangement with the Armour car lines whereby that company allots to the New Orleans & Northeastern 1,500 cars at a compensation of 55 cents per car per day while the cars are on its lines. When cars are not on its lines the Armour car lines collect car mileage from the roads handling the car. If defendant finds it necessary to use more cars than the allotted number, it pays for the additional cars a mileage of three-fourths of a cent a mile. Since 1908 the facilities of the Illinois Central for loading have been increased by the addition of three tracks, their loading capacity now being 50 cars at one time.

Carriers urge that the banana traffic is subject to certain special expenses at the port. A statement filed by the Illinois Central of such extra expenses at New Orleans is typical of like expenses incurred by the New Orleans & Northeastern. The Illinois Central statement sets up the following items of extraordinary expenses per car:

Interest on investment.....	\$5. 06
Loading.....	6. 00
Wharfage.....	8. 60
False floors.....	5. 00
Cleaning docks.....	. 26
Slatting cars.....	. 60
Clerical hire.....	. 25
Weighing.....	1. 00
Total	<u>\$21. 77</u>

In addition defendant sets up a mileage charge on the cars to destination and return at the rate of 1 cent per mile for the entire distance. For example: To Kansas City, a distance of 879 miles, it sets up mileage of \$17.58; to Topeka, 946 miles, \$18.92; making

a total special cost to carriers on a car moving to Kansas City \$39.35 and to Topeka \$40.69. After analyzing the above statement we are not convinced that all the items of expenses alleged as extra cost are properly chargeable as such, because, as was said in the *Topeka Banana Dealers' case*, many of them are for services which must necessarily be given to any freight of a perishable nature handled in large quantities and most of them are services required as to all freight. Moreover, some of the items are apparently too high and others are not properly chargeable as special costs; a brief discussion of some of them will be useful at this point.

The first item, "interest on investment, \$5.06," is taken from the statement originally submitted by defendants in the *Topeka Banana Dealers' case*, and is based upon the total expense for that year divided by the total number of cars handled for the same period, namely 13,000. Assuming, therefore, as in view of the evidence we must, that the items set up at the time of the former case are substantially the same now, the item of interest on investment should be divided by the number of cars moving during the past year to determine the present allocation of cost per car. If we take the number of cars handled by the Illinois Central in the year ending June 30, 1912, namely 17,789, the allocated cost per car will be much less than in 1908.

Much trouble was experienced at the hearing in ascertaining precisely what the loading charge of \$6 per car covered, as defendants' witnesses were not informed. Affidavits have been filed of record, however, which show that it is an allowance paid consignor on traffic destined to competitive points for services of laborers in the hold of the vessel who load the bananas on an endless conveyor which operates from the hold of the vessel and conveys the bananas to a table upon the wharf, where they are picked up by other laborers and carried to the car door, where they are in turn handled by other laborers inside the car, who do the stowing. Defendant Illinois Central contends, however, that its rates apply from ship side and that its service begins after the bananas are unloaded on the wharves. It is shown that the average vessel carries about 100 carloads of bananas, and they can be loaded at the rate of 10 cars per hour.

Cars for banana traffic must be equipped with false floors, which are an essential part of the equipment required to transport bananas. The charges for false floors were estimated in 1908 at \$5 per car, but the Illinois Central now states that the actual cost of equipping a car with false floors is about \$9. The same floors can be used a number of times, but carriers experience difficulty in having all of them returned. One witness testified that only about 65 per cent are returned. Defendants have attempted to levy charges against other carriers for the false floors when removed from and not re-

turned in cars from foreign lines, but it appears that this collection has not been enforced. We think it unfair to charge even so large a proportion of the cost of a new false floor to every car of bananas moving from New Orleans.

The wharfage charge is now \$4 per car, and there is presumably some increase in the amount invested in terminal facilities due to the laying of the additional tracks mentioned. The increase in the wharfage charge is negligible and the added increase in the investment in the terminal facilities, although not stated of record, is probably not great in amount by comparison with the original investment.

The evidence shows that a certain per cent of the refrigerator cars are returned under load, and, further, that when off the lines of the Illinois Central, carriers using cars pay to that company 1 cent a mile rental whether loaded or empty. Assuming, without finding, that refrigerator service involves a special extra cost to the banana traffic, it is not proper to set up as an item of expense mileage on the car both ways without crediting the mileage earned on cars returned under load.

Whatever extraordinary cost can reasonably be attributed to the banana traffic at the port of New Orleans applies regardless of destination, and therefore the special cost on a car destined to Topeka would be the same as on a car destined to Kansas City or Nebraska points, and it is not necessary in arriving at a proper conclusion in this case to determine just what special costs defendants may have to bear on account of this traffic to Topeka.

Coming now to the question of divisions. In our former report in the *Topeka Traffic Asso. case* we stated that the record did not show how the rates to the points involved were divided, but we now have before us upon the further hearing carriers' division sheets of the rates from New Orleans to Lincoln, Topeka, Hutchinson, and Kansas City. The 63-cent rate to Kansas City, after deducting 1.5 cents for wharfage charge, divides as follows: To Memphis, 26.8 cents; beyond, 34.7 cents.

The 80-cent rate to Topeka, after deducting wharfage charge, divides: To Memphis, 25.9 cents; to Kansas City, 33.6 cents; and the full local third-class rate of 19 cents beyond. To Hutchinson the 80-cent rate divides, after deducting the wharfage charge: To Memphis, 20 cents; to Kansas City, 26.5 cents; beyond, 32 cents, which is 18 cents less than the full local third-class rate. The Lincoln 71-cent rate, after deducting the wharfage charge, divides: To Memphis, 20.7 cents; to Kansas City, 27.3 cents; beyond, 21.5 cents, for a haul of practically 200 miles.

From the above it will be seen that the lines west of Kansas City receive their local only on traffic destined to Topeka. This is

19 cents for a haul of 67 miles, yielding per-ton-mile revenue of 5.67 cents as compared with a revenue of 1.35 cents per ton-mile for the lines east of Kansas City. The lines beyond Kansas City on business to Lincoln, which involves a haul of practically 200 miles, receive a division of 21.5 cents, which yields a per-ton-mile revenue of 2.15 cents as compared to 5.67 cents to the lines west of Kansas City on Topeka business.

Upon consideration of all the facts of record in this proceeding and giving due weight to the rate adjustment in the territory here involved we are convinced that the rate to Topeka does not bear a reasonable relationship with other competitive points in that locality, particularly with relation to Kansas City. We are of the opinion and find that for the future the rate on bananas in carloads from New Orleans to Topeka should not exceed the rate to Kansas City by more than 8 cents per 100 pounds, and should not be higher than the rate charged from New Orleans to Lincoln and Beatrice.

PROPOSED INCREASED RATES TO LINCOLN AND BEATRICE.

The present 71-cent rate on bananas from New Orleans to Lincoln is based on the third-class differential of 4 cents over the Omaha rate, which is in turn the third-class differential of 4 cents over Kansas City. For a number of years the differential, Lincoln over Omaha, on business from eastern points has been 5 cents on classes 1 and 2, 4 cents on classes 3 and 4, and 3 cents upon the remaining classes. This adjustment from eastern points as well as St. Louis was approved by us as early as 1888 in the case of *Lincoln Board of Trade v. M. P. Ry. Co.*, 2 I. C. C., 155. In *Lincoln Commercial Club v. C. R. I. & P. Ry. Co.*, 13 I. C. C., 319, we considered whether these same differentials, Lincoln over Omaha, might be properly charged on commodities moving from points of origin in Kansas and territory south and west of the Mississippi River. There were about ten commodities under consideration in that case, and on all but two of them we refused to allow higher rates to Lincoln than to Omaha from the points of origin involved. The question of the relative adjustment from New Orleans to Lincoln and Omaha, however, has never been passed upon by us, but the carriers apply the same third-class differentials, Lincoln over Omaha, as from eastern points and St. Louis.

In the instant case we have carriers proposing to increase the rate on bananas to Lincoln and Beatrice from 71 cents to 80 cents. The increase will exceed the third-class rate from New Orleans to Lincoln by 7 cents per 100 pounds. The Omaha rate remains at 67 cents, thus increasing the differential, Lincoln over Omaha, on business originating at New Orleans to 13 cents. Lincoln is situated about 55 miles west of Omaha and about 50 miles west of the Missouri River by direct line. It is alleged by protestants that all the

jobbing points in Nebraska are equalized as to rates. Whatever advantage one point may have on inbound freight is offset by a difference in outbound rates to distributing points, and this is designed to place Nebraska jobbers upon a substantially equal basis in the combination of inbound and outbound rates. They allege that to increase their present differential over Omaha by 9 cents per 100 pounds would completely destroy their banana business and unduly discriminate against them in favor of jobbers at Omaha and other points. It is shown that in 1912 dealers at Lincoln handled 437 cars of bananas.

Respondents contend that the 13-cent differential Lincoln over Omaha will not be unreasonable as compared with the difference in the class rates between Kansas City and Topeka created by the Commission's order in *State of Kansas v. A. T. & S. F. Ry. Co.*, 27 I. C. C., 673. In that case we prescribed reasonable maximum class rates on traffic from St. Louis to interior Kansas points. The third-class rate to Topeka found reasonable by us exceeds the third-class Kansas City rate by 14 cents. The Omaha-Lincoln situation is substantially different, however. The comparison is not persuasive; furthermore respondents admit that if this 80-cent rate is allowed to go into effect at Lincoln and Beatrice further adjustment should be made at Nebraska points so as to remove discriminations caused by lower rates and ask for an alternative order if we approve of this proposed increase to Lincoln and Beatrice. It is intimated that the rate to Omaha might be increased. We can not see the justification for increasing the rates which have so long been established and which are not claimed to be unremunerative simply to remove a discrimination caused by advancing rates at competitive points. As stated in the first part of this report, carriers' evidence has been directed chiefly in support of their contention that the present rate to Topeka is reasonable, but there is no evidence of record nor do carriers seriously contend that the present rates to Lincoln and Beatrice are unremunerative. Indeed, considering that traffic has moved for over twenty years on the present rates, and that no changed circumstances and conditions are shown or even urged, we do not think that they are in a position to contend that the Lincoln and Beatrice rates are unreasonably low. Upon all the facts and circumstances of record we hold that carriers have not sustained the burden of proof cast upon them by the statute to show that the increased rates are just and reasonable.

RATES TO HUTCHINSON AND WICHITA.

Wichita is 961 miles and Hutchinson 1,009 miles from New Orleans via the route the banana traffic moves. This route is not through Topeka. To Wichita the carrier west of Memphis is the Frisco via
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Springfield, Mo. To Hutchinson the carriers are the same as to Wichita, but the Frisco carries the traffic through Wichita to Burrton, Kans., where the Santa Fe takes it to Hutchinson, 14 miles distant. Both points are served by several trunk lines.

Dealers at Wichita handle about 200 cars of bananas annually, and at Hutchinson about 110 cars, but about 60 per cent of the total number at both points come through the port of Galveston. These complainants allege that they are in competition with dealers at Kansas City, Topeka, and other points. Wichita interests particularly contend that the rate of 73 cents from New Orleans to Independence, Kans., and Enid and Oklahoma City, Okla., with which points they are in competition, is unduly discriminatory; and that the service from New Orleans has been lengthened. Prior to June, 1911, cars arrived at Hutchinson and Wichita on the third or fourth day, and they now arrive on the fourth or fifth day. Further, that while it is true that the banana traffic from New Orleans to Springfield is given special train service, from Springfield to Hutchinson and Wichita the banana cars are handled on regular freight trains which run regardless of the banana traffic.

As explained in the first part of this report, the Wichita and Hutchinson rate from New Orleans was reduced in 1902 from 95 cents to the present basis. Defendants contend that with this substantial reduction and under the existing adjustment the banana business at those points has been developed and that those places already secure most of their bananas from Galveston and not from New Orleans, which rate is 10 cents lower than that charged from New Orleans.

Without reiterating the discussion regarding the situation at New Orleans and the rate to Topeka, we are of the opinion from all the evidence and circumstances of record that it would be unduly discriminatory against Hutchinson and Wichita to charge a higher rate on traffic to these points from New Orleans than is contemporaneously charged to Topeka from New Orleans.

RATES FROM GALVESTON.

Taking up, now, the rates from Galveston: The banana business at this port has developed gradually for the past few years, and large sums of money have been expended there in improving the harbor and docks. The price of bananas at Galveston is about the same as at New Orleans, varying from 90 cents to \$2.40 per 100 pounds, according to the season. As explained above, the rates from Galveston are made certain arbitraries over or under the New Orleans rate, according to destination. The adjustment is as follows:

To points east of the Mississippi River the rates from Galveston are 10 cents per hundred higher than rates from New Orleans.

To Mississippi River points, including those on both banks of the Mississippi River, rates from Galveston are 5 cents per hundred higher than rates from New Orleans.

To points west of the Mississippi River and east of the Missouri River, also points in Missouri south of the Missouri River and point in Kansas, the rates from Galveston are the same as from New Orleans.

To Missouri River points, Kansas City and north, including those on both banks, the rates from Galveston are 5 cents per hundred less than from New Orleans. To points west of the Missouri River, north of Texas, including points in Oklahoma, the rates from Galveston are 10 cents per hundred less than from New Orleans.

The adjustment stated above makes the rate from Galveston to Kansas City, 58 cents; to Omaha, Lincoln, and Beatrice, 62 cents; Topeka, Wichita, and Hutchinson, 70 cents. The Rock Island and Santa Fe are the principal carriers of bananas from Galveston to Wichita and Topeka, while the Santa Fe is the principal carrier to Hutchinson. These lines also reach Kansas City through Wichita and Hutchinson, but the Rock Island is the only line that would necessarily carry Kansas City business through Topeka. The Rock Island is also the only one of these carriers that directly reaches Beatrice, Omaha, and Lincoln over its own or affiliated lines. The Missouri Pacific-Iron Mountain lines also reach Topeka, Hutchinson, and Wichita, and, through Kansas City, have lines to Omaha and Lincoln. The direct line from Galveston to Omaha, however, seems to be not through Topeka, but through Kansas City in connection with the Chicago, Burlington & Quincy. The Rock Island, to reach Omaha and Lincoln on business from Galveston, can move it either through Topeka or Belleville, Kans., and while it is true that by hauling traffic through Belleville they may avoid a violation of the fourth section at Topeka, they do, by charging higher rates to Hutchinson and other Kansas points than to Kansas City, Lincoln, and Omaha, violate the fourth section of the act. The Santa Fe and other carriers that operate to Kansas City violate the fourth section by charging higher rates to intermediate points.

The principal originating carrier of bananas from Galveston is the International & Great Northern Railway Company; in connection with the Rock Island its distances to Topeka and Wichita are, respectively, 848 and 713 miles; in connection with the Frisco to Wichita its distance is 740 miles; and to Hutchinson in connection with the Frisco, 800 miles. The distance to Kansas City via the International & Great Northern Railway Company and the Missouri, Kansas & Texas is 852 miles, but the short-line distance is 806 miles.

In our former report in the *Topeka Traffic Asso. case* we found that the rates to Topeka were unjustly discriminatory as compared with the rates to Lincoln and Beatrice, and defendants, as explained above, have attempted to remove this discrimination by advancing

the rates from Galveston to these Nebraska points. They have introduced, however, no more convincing evidence in justification of the proposed increased rates from Galveston than they did in support of the proposed increased rates from New Orleans to the same points, and we hold that defendants have not justified the proposed increased rates from Galveston.

The International & Great Northern Railway Company, as the originating carrier at Galveston, has introduced a statement of record to show the cost per car of handling bananas through the port of Galveston. The items which go to make up the total cost of \$32.45 per car are stated as follows: Loading, \$14; switching, \$1.75; weighing, \$1.50; false floors, \$6; cleaning, \$2; detention of cars, \$7.20.

We can not pass without comment the loading charge stated above, which includes a wharfage charge of \$4 per car. The remaining \$10 per car is an allowance made to the consignor to cover the cost of loading, checking, sealing, and carding cars, and is arrived at by an allowance of 2½ cents for every bunch of bananas received. If \$6 is a reasonable allowance to consignor for the services performed at New Orleans, we are not convinced from the present record that this allowance at Galveston is not excessive.

Upon the decision of the fourth section applications which have been filed to protect the violations set out above will rest the adjustment and relationship between the various points here involved.

We shall not make an order at this time fixing specific rates from Galveston to the points involved here, but will leave the carriers to work out a schedule of rates in conformity with the adjustment which will be prescribed in respect to the fourth section applications above referred to. An order will be entered, however, at this time in respect to the rates from New Orleans to Topeka, Hutchinson, and Wichita, and respondents will be required to cancel the schedule, naming the proposed increased rates to Lincoln and Beatrice.

Reparation is sought by the complainants at Topeka, Hutchinson, and Wichita, but in view of the fact that we are establishing a new adjustment of rates no reparation will be awarded.

Commissioner CLARK took no part in the decision of this case.

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INVESTIGATION AND SUSPENSION DOCKET No. 357.
LUMBER RATES TO KNOXVILLE, TENN.

Submitted May 18, 1914. Decided June 1, 1914.

Proposed increase of rates on lumber from Alabama points on Southern Railway to Knoxville, Tenn., found to be reasonable as to some rates and unreasonable as to others, and order of suspension vacated in part.

R. Walton Moore and *F. W. Gwathmey* for Southern Railway Company.

Charles Kimmich for Knoxville Traffic Bureau.

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

By tariff issued to become effective December 27, 1913, the existing commodity rates on lumber to Knoxville, Tenn., from stations on the Mobile division of the Southern Railway and from Decatur, Huntsville, and Sheffield, Ala., which are junction points on the Memphis division of the same line, were increased in amounts varying from 1 to 3 cents per 100 pounds. Upon protest of the Traffic Bureau of Knoxville, Tenn., the proposed rates were suspended until April 2, 1914, and subsequently resuspended until October 26, 1914, and an investigation entered upon to determine the propriety of the increased rates. There were inequalities in the lumber rates from points on the Mobile division and some revision of the rate structure was necessary for the purpose of removing these inequalities. The distance from Chattanooga to Knoxville is 111 miles, but the distance to Knoxville from points on the Mobile division of the Southern Railway is only 70 miles greater than the distance to Chattanooga, the direct route to Knoxville from those points not being through Chattanooga. The direct route from points on the Memphis division, however, is through Chattanooga, and from those points, therefore, the distance to Knoxville is 111 miles greater than the distance to Chattanooga.

The suspended rate from each of the points on the Mobile division is 16 cents per 100 pounds, and the distances range from 365 miles to 506 miles, the mean distance being 435.5 miles. The rate exceeds the Chattanooga rate by 2 cents, the difference in distance being 70 miles. The traffic manager of the protestant expresses the opinion in his testimony that 2 cents would be a proper differential for Knoxville

over Chattanooga when the short line is through Chattanooga if the Chattanooga rate were reasonable, but he insists that the rate to Chattanooga is unreasonable as compared with the rates to Chattanooga from Georgia points south of Macon. The same witness insists that where the short line to Knoxville is not through Chattanooga the Knoxville rate should exceed the Chattanooga rate by only 1 cent. The protestant assumed that the rates in question were increased because complaint had been made that rates from Georgia points south of Macon were unreasonably high as compared with these rates, and the evidence which the protestant offered to overcome the evidence introduced by the carrier to justify the increase was intended to show that the rates to Knoxville from Georgia points as compared with the rates to Chattanooga from those points are too high, the argument being that if the rates from Georgia points are too high, and the rates here in question were increased for the purpose of bringing them to the level of those rates, the increased rates must be too high. While one of the traffic officials of the Southern Railway Company, in answer to a complaint made by a shipper that the rates from Georgia points to Knoxville were too high as compared with the rates from stations on the Mobile division to Knoxville, stated that the rates here in question were being revised, and when revised the disparity of which he complained would be removed, the evidence shows that the rates from stations on the Mobile division were being revised when that complaint was made, and were not increased to satisfy that complaint. If it be true, as the protestant contends, that the rates to Knoxville from Georgia points do not bear the proper relation to rates to Chattanooga from the same points, those rates should be adjusted in some other proceeding.

The protestant insists that it is more important that the rates to Knoxville on lumber from points of origin here involved should bear the proper relation to the rates to Chattanooga from the same points than that they should be reasonable *per se*. The differential of Knoxville over Chattanooga on heavy commodities generally from the territory of origin here involved varies from $1\frac{1}{2}$ to 3 cents, while the proposed rates on lumber to Knoxville are 2 cents in excess of rates to Chattanooga from the same points. As compared with the rates to Chattanooga from the same points of origin the proposed rates seem to be reasonable. For the maximum distance of 506 miles the rate of 16 cents to Knoxville yields a revenue of 6.3 mills per ton-mile, and for the minimum distance of 365 miles the rate yields 5.7 mills per ton-mile, while for the mean distance of 435.5 miles the rate yields 7.3 mills per ton-mile. In the case of *Lumber Rates from Southern Mills to Eastern Points*, 27 I. C. C., 189, the Commission approved rates from stations in Florida, Georgia, and Alabama to Washington, D. C., for an average distance of 792 miles

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which yielded a revenue of 6.52 mills per ton-mile. As compared with that revenue for the distance of 792 miles the revenue of 7.3 mills for the mean distance of 435.5 miles is not unreasonably high.

The rates from 12 points between Selma, Ala., and Meridian, Miss., have been increased to the extent of only 1 cent per 100 pounds, the present rate being 13 cents and the rate as increased 14 cents. The rate to Chattanooga from the same points is only 11 cents. The distance to Chattanooga from those points is 70 miles less than the distance to Knoxville, that difference in distance being about 20 per cent of the distance to Knoxville. The mean distance to Knoxville from the points referred to is 366 miles, the minimum distance being 352 miles and the maximum 380 miles. The proposed rate for the mean distance yields 7.6 mills per ton-mile. This revenue for 366 miles seems to be in line with the revenue of 7.3 mills approved for the mean distance of 435.5 miles. While the differential over Chattanooga is greater than that approved for the longer distances, yet, in view of the general rule that differentials should decrease as distance increases, that is not sufficient to authorize us to condemn the proposed increase.

There has been an increase from only three points on the Memphis division. The rate from Huntsville to Knoxville, a distance of 228 miles, has been increased from 12 to 13 cents; the rate from Decatur to Knoxville, a distance of 253 miles, has been increased from 11 to 13 cents, and the rate from Sheffield to Knoxville, a distance of 298 miles, has been increased from 12 to 14 cents. The existing rate of 12 cents from Huntsville, a distance of 228 miles, yields a revenue of 10.5 mills per ton-mile, and that revenue for the distance seems to be reasonably high. The rate from Huntsville to Chattanooga, a distance of 117 miles, is 6½ cents. The rate from Decatur to Knoxville ought, of course, to be as high as the rate from Huntsville, the distance being 253 miles, but we do not think the rate ought to exceed 12 cents. The rate to Chattanooga, a distance of 142 miles, is 7½ cents. We do not think the rate from Sheffield to Knoxville ought to exceed 13 cents. The distance is 298 miles, and that rate would yield 8.7 mills per ton-mile. The rate to Chattanooga, a distance of 187 miles, is 8½ cents.

If it be a fact, as the record indicates, that the refusal of the Commission to approve the proposed increase of rates from Decatur and Sheffield to Knoxville may make it necessary for the respondents to reduce the rates on lumber from certain intermediate points to Knoxville in order to remove violations of the fourth section, that fact does not justify the proposed increase.

We conclude, therefore, that the respondents have justified the increase proposed in the rates from points on the Mobile division between Marion Junction and Mobile, Ala., and also the increase

proposed in the rates from the points between Selma, Ala., and Meridian, Miss. We further conclude that the carriers have justified an increase in the rates from Decatur and Sheffield, but only to the extent of 1 cent per 100 pounds, and that the carriers have not justified any increase in the rate from Huntsville.

An order will be entered requiring the respondents to cancel the suspended schedules as to the rate from Huntsville, and also as to the rates from Decatur and Sheffield to the extent of 1 cent per 100 pounds each, and the order of suspension will be vacated as to all other rates.

Although there was no protest against rates to Lenoir City, Tenn., the rates to that point from stations between Marion Junction and Mobile, Ala., were also suspended, but the justification of the increases made in rates to Knoxville applies equally to those rates, and the order of suspension will be vacated as to those rates also.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 304.

ONION RATES TO NEW YORK, N. Y.

**RATES ON ONIONS FROM CHESTER, FLORIDA, AND
OTHER POINTS IN NEW YORK TO DUANE STREET
STATION, NEW YORK, N. Y.**

Submitted February 9, 1914. Decided May 28, 1914.

In the effort to relieve a serious congestion of traffic at its Duane street station, New York, N. Y., brought about by the manner in which onion shipments are handled at that station, the Erie Railroad is endeavoring to establish a market for this product at Jersey City; *Held*, That the tariffs under suspension should be permitted to go into effect and the respondent carrier be given an opportunity to try the experiment.

R. S. French for National League of Commission Merchants of the United States.

Lewis J. Stage for Florida Onion Producers' Association.

T. H. Burgess for Erie Railroad Company and New York, Susquehanna & Western Railway Company.

REPORT OF THE COMMISSION.

HARLAN, Chairman:

For reasons hereinafter explained the Erie Railroad Company moves more than one-half of the onions consumed in the New York market, and for about 20 years its Duane street station, piers 19 and 20 North River, has been the largest, and, as we understand it, the only exclusive onion market on the island of Manhattan. The onions are sold on the dock, and from there are carted, usually by the commission men themselves, directly to the places of business of the buyers.

During the last four months of 1913 about 75 per cent of the entire tonnage of onions moving to the New York market was handled by the Erie Railroad Company; a large part of which tonnage originated in Orange county, N. Y., and was transported through Jersey City on an interstate rate of 13 cents per 100 pounds. The record indicates that the Erie also handles much of the onion traffic from Ohio producing points, that section furnishing about 10 per cent of the onions consumed in the New York market. The traffic within the past few years has grown to such an extent that the piers of the Erie above referred to have been seriously congested, particularly during the period of the year when the onion traffic is heaviest; that

is, from August to December. The experience of the Erie has been that between one-half and two-thirds of the tonnage moves during these months. From September 1 to December 2, 1912—a period of 95 days—embargoes were in force for 74 days, and from August 25 to December 15, 1913, embargoes were in force for 33 days. These embargoes are traceable directly to the delay on the part of the buyers in removing onions from the piers, and the result is delays to other traffic which also moves in large volume during the same period.

The Erie, by means of the tariffs under suspension, hopes to establish the onion market at its Pavonia avenue station in Jersey City, which almost adjoins the ferry entrance. A 10-minute ferry service is maintained, and the trip from Duane street to Jersey City consumes but 8 minutes. It is thought that the change will relieve the congestion at Duane street and facilitate the handling not only of onions, but of all other traffic. To accomplish this result the Erie has withdrawn the interstate commodity rate of 13 cents heretofore applied from points in Orange county to New York City and has established in lieu thereof a rate of 10 cents to Jersey City. As to other points of origin from which the rate to Jersey City is the same as to New York the lighterage tariffs of the Erie have been so amended as to provide that onions will not be handled at the Duane street piers. Delivery must be accepted at Jersey City and an allowance of 3 cents is provided in the tariffs for drayage and ferriage in lieu of lighterage, which allowance will be paid to the consignee only on certification by him that the property has actually been carted from the Pavonia avenue station across the Hudson River to deliveries on the island of Manhattan. This same practice is followed and the same allowance made in connection with the handling of other products such as dressed meats and poultry, beer, butter, cheese, eggs, etc. This has been the custom for many years.

It will be seen that under the proposed arrangement not only will New York onions be handled at the Jersey City station, but those from western producing points as well. The latter onions may move to the New York market over several lines; but the Orange county growers who are served by the Erie Railroad alone apprehend that should the tariffs here under suspension go into effect their onions will be completely excluded from the New York market. There is no substantial evidence to the effect that the proposed allowance is not compensatory for the service rendered.

The Erie has handled this large tonnage because the onion market of New York was located at its Duane street station. Should this arrangement now be changed the Orange county growers fear that

the Erie will no longer handle the bulk of the onion traffic; it is claimed that the business will be divided among the several carriers serving New York City and that the buyers will not go to the Jersey City market for onions. One difficulty in the situation appears to be the lack of cooperation among the onion growers themselves. About 1,500 farmers in Orange county are engaged in growing onions; the individual holdings are small, usually but a few acres. While the traffic moves in carload quantities, it consists largely of shipments from several consignors to one consignee. The record indicates that upon receipt of advice from the commission men in New York that the market is weak and shipments should be stopped many of the growers feel that that is an opportune time to ship, and continue to do so until it becomes necessary for the railroad to place an embargo. These embargoes are looked upon by the growers with favor as the "only thing that will save the market." The Erie officials on the other hand assert that they will be able successfully to establish and maintain the onion market at Jersey City. That carrier handles annually 1,200 cars of onions, about one-half of which originate at Orange county points. There is no indication of record that the carrier desires altogether to rid itself of this traffic, and it is inconceivable that the Erie Railroad will in its own interest continue the experiment at the expense of the loss of a traffic so substantial. Upon the facts developed of record we think that the Erie should be given an opportunity to try this experiment. Without expressing any final conclusion at this time, an order vacating our order of suspension in this proceeding will be entered. The case will, however, be reserved for further consideration and action if, after a reasonable trial, the practice seems unduly to affect the interests of the protestants herein.

We have said that the practice of making to shippers allowances of this character for drayage and ferriage in lieu of lighterage has been in force in New York Harbor for many years. No question was raised on this record as to the propriety of such payments; nor is the testimony taken in this proceeding sufficient to enable us to reach any conclusion on this point. The Commission, however, now has under investigation lighterage, drayage, and other similar services in New York Harbor, and the question of the propriety of making such allowances will be reserved for further consideration in connection with that proceeding.

Commissioner CLARK took no part in the decision of this case.

No. 5336.
McCAA COAL COMPANY
v.
COAL & COKE RAILWAY COMPANY.

No. 5336 (Sub-No. 1).
ELLIOTT SPLINT COAL COMPANY
v.
SAME.

No. 5336 (Sub-No. 2).
GILMER CONSOLIDATED COAL COMPANY
v.
SAME.

No. 5336 (Sub-No. 3).
QUEEN SHOALS COAL COMPANY
v.
SAME.

No. 5358.
MORRIS FORK COAL COMPANY
v.
SAME.

No. 5358 (Sub-No. 1).
ELK MANOR COAL COMPANY
v.
SAME.

Submitted May 21, 1913. Decided June 1, 1914.

1. In the distribution of coal cars during car-shortage periods the defendant arrived at the mine rate by adding to the estimated physical capacity the commercial capacity taken for the twelve-month prior period, dividing the result by two; *Held*, That in the instant case this method permits of discrimination and defendant will be required to distribute cars hereafter on basis figured on the average shipment per days worked by the mines located on its line taken for a two-year period prior to January 1, 1913.

2. The proper distribution of cars is a question of fact to be determined according to the circumstances and conditions existing in each particular case.

Joseph H. Gaines for complainants.

George E. Price for defendant.

REPORT OF THE COMMISSION.

McCHORD, *Commissioner*:

These cases were consolidated and heard as one case.

The complainants are six coal-mining companies operating mines on the line of the defendant railway company which extends from Charleston to Elkins in the state of West Virginia. There are a number of other mines operating on this defendant's road and among these are the mines owned by the Davis Colliery Company. These mines, designated by their location, are as follows: Walton, Sivad, Bower and Copen. It appears that this company and the defendant railway company are owned and controlled by substantially the same interests.

It is contended by the complainants that in the distribution of coal cars they are discriminated against in favor of the Davis Colliery Company; the discrimination manifesting itself both in the computation of the mine rate and in the distribution of the cars under the mine rate established according to the system employed by the defendant. Reparation for the damages sustained by reason of such discrimination is sought in substantial amounts by three of the complainants.

This case presents another of the perplexing car distribution situations, and it might be noted at the outset that this case will be discussed with a view of adjusting the particular situation in the particular locality in which it has arisen and that what may be said here in no wise affects the previous rulings of this Commission with respect to other car distribution situations in other localities; for, as said by the Commission in *Rail & River Coal Co. v. B. & O. R. R. Co.*, 14 I. C. C., 86, 96:

It seems to be rationally and logically a question of fact to be determined according to the circumstances and conditions existing in each particular case.

And in *Hillsdale Coal & Coke Co. v. P. R. R. Co.*, 19 I. C. C., 356, 361:

The principle of *stare decisis* has little application in proceedings before us involving questions of this nature.

It seems to be a general situation that each year during the winter months the demand for coal increases to a point where the ordinary facilities of the carriers will not accommodate the traffic. The congestion entailed always manifests itself in a shortage of coal cars. This condition is always accompanied by a higher priced market for

coal, and mining operations are consequently more profitable, dependent, however, upon receiving sufficient of the available cars to market the output. The allotment of the available cars to which the mine is entitled each day during such a period becomes a matter of the most vital importance. Under the general practice, during such periods the available cars are distributed each day according to a certain percentage basis under rules prescribed by the carriers.

The cases indicate that several different systems are employed by the carriers in determining this percentage basis. There was the case in which the number of coke ovens was taken as forming the basis on which the percentage was figured, *Powhatan Coal & Coke Co. v. N. & W. Ry. Co.*, 13 I. C. C., 69. In *Rail & River Coal Co. v. B. & O. R. R. Co.*, *supra*, the physical capacity of the mine was taken as one factor, to which was added the commercial capacity taken for a four months' period of free car supply for each of two years as the other factor, and the result divided by three. In a later case, *Hillsdale Coal Co. v. P. R. R. Co.*, *supra*, the physical capacity was added to the commercial capacity as figured for the preceding 12 months and the result divided by two. How the physical capacity and commercial capacity are determined was explained in the *Rail and River case*, page 93, and will not be recited here.

In the instant case the system employed is practically the same as that in the *Hillsdale case*, except that if the resultant figure obtained is greater than the tipple or haulage capacity the lesser of these is taken as the basis of the mine rate. Fault could be found with that part of defendant's method of calculation in which it differs with that employed in the *Hillsdale case*, because necessarily the tipple capacity is the maximum of a mine's physical capacity; a mine can not produce any more coal than can be passed over its tipple.

It is the practice of the defendant to require the mines on its road to furnish quarterly, on blanks supplied by it, detailed information concerning the physical and operating conditions of the mine, such as the coal loaded during each of the months for the 12 months' period prior; average thickness of coal seam; number of working places available; number of miners working; number of miners that could be worked to advantage; average capacity of each miner; whether or not machines are used in mining; number of miners' houses occupied; haulage capacity; and tipple capacity.

With this information before it the defendant disregards all of it except the reported number of working places; in each working place

it imagines two miners working with a capacity per miner as reported, and with this calculation the physical capacity is determined. The working places reported which form so important a basis for this calculation may never have been worked, tracks may never have been laid into them, and it seems to be sufficient if they are simply marked out. Again, the working places reported may have been old working places that have been exhausted. Whether machines are used in the mine, a circumstance which would greatly increase the output for the number of men, seems not to enter into consideration, nor the thickness of the seam of coal, nor the number of men who could be housed. Yet each of these conditions bears directly and necessarily upon the physical possibilities of the mine.

The justification for this curtailed calculation by the defendant is that the same calculation is made for each mine, and made in the same way, and therefore everybody being treated alike there is no discrimination. But two wrongs or several wrongs never made a right, and the evil of this method of calculation is best shown by the following table compiled from defendant's rate sheet No. 5.

Coal & Coke Railway Company rating No. 5, effective Feb. 1, 1912.

Name of mine.	Commercial capacity.			Physical capacity.		Capacity.	Haulage capacity.	Tipple capacity.	Mine rate.
	Shipments for 12 months.	Average 300 working days.	Total working places.	Number of men can be worked.	Tons per man per day.				
Jenkins Coal & Coke Co.....	9,940	33	42	84	10	840	(1)	1,000	437
Brady Coal Co.....	17,834	59	75	150	10	1,500	600	600	600
W. H. Green.....	15,743	53	32	64	10	640	400	800	346
Davis Colliery Co. No. 1 (Coalton).....	105,992	353	240	480	10	4,800	4,000	4,000	2,577
Davis Colliery Co. No. 2 (Sivad).....	35,383	118	140	280	10	2,800	2,000	2,000	1,439
Adrian.....		16	104	208	6	1,248	1,200	1,500	632
Gilmer Fuel Co.....	49,428	165	120	240	8	1,920			1,043
Copen Creek Coal Co.....	2,363	7	10	20	8	160	200	500	84
Davis Colliery No. 10 (Bower).....	145,684	486	172	344	8	2,752	2,000	4,000	1,619
Davis Colliery No. 11 (Copen).....	40,776	136	74	148	8	1,184	600	600	600
Braxton Coal & Coke Co.....	2,042	7	12	24	7	168	300	400	86
Widen mine (B. C. & G. R. R.).....	67,352	385	86	172	10	1,720	3,000	2,500	1,500
Elk Manor Coal Co.....	46,748	156	82	164	8	1,312	1,000	800	734
Clay Coal Co.....	20,004	67	108	216	8	1,080	300	900	300
Queen Shoals No. 1.....	27,185	91	18	36	6	216	200	250	219
Queen Shoals No. 2.....			11	22	6	132		250	
Turner mine (Steele & Payne Co.).....	26,706	89	76	152	8	1,216	600	750	653
Pen Mar mine.....	4,512	15	15	30	6	180		300	96
Peacock mine.....	2,194	7	14	28	6	168		400	88
Total.....		2,243							13,077

¹ Unlimited capacity.

² 7 months.

NOTE.—It should be noted that the physical capacity of each of the Davis mines is rated above its tipple or haulage capacity, and that in some of the calculations for physical capacity 8 tons per man and in others 10 tons per man and in some as low as 6 tons per man is taken as the capacity per miner per day.

30 I. C. C.

The best that can be said for these calculations as to physical capacity is that they are arbitrary inflations, which furnish nothing real or tangible, yet form the largest determinative factor in the mine rate. The larger this imaginary figure can be made, the larger, of course, will be that mine's rating, no matter what its actual performances are or what they have been in the past or what they are likely to be in the immediate future. The larger the mine rate the greater percentage of available cars will be its share during the car-shortage periods. If this imaginary figure can be inflated enough, it can be so manipulated that one mine will have sufficient cars to handle all its output, even during car-shortage periods, when competitive mines are being handicapped for lack of cars because their percentage or mine rate is so much lower in proportion to output.

These physical-capacity figures for the Davis mines seem to have been purposely inflated, and, to keep in line, many of the independent mines do the same thing, until the daily percentage of cars assignable to a single mine is much in excess of that mine's ability to load if its full allotment should be furnished to it on successive days. And it appears that in most cases about 30 per cent of a mine's present rating would supply that mine with all the cars it could load in a day's run. There are a number of rules incident to car distribution which have been prescribed by the defendant; two are, in effect, as follows: The entire allotment of cars must be ordered if any cars are wanted, and enough cars will be supplied where possible to make at least a day's run for a mine. Applying these two rules under the inflated allotment, the defendant has so supplied cars to the independent mines that these mines have more cars dumped on them in one day than they can possibly load, with the result that those not loaded go over to penalize them on the next day's supply and are put against their full allotment for that day, the remainder of the full allotment, however, being furnished, so that by reason of penalties the mine's allotment for the month is exhausted in a few days, and the mine remains idle for the balance of the month. On the other hand, in supplying the Sivad, a Davis mine, during the same period with a commercial capacity of 150 tons per day, or an equivalent of $3\frac{1}{2}$ cars, having an allotment, however, under defendant's method of 28 cars per day; the largest number of cars furnished this mine in any one day in September, 1912, was 8 cars, and no cars were furnished the following day; on three days 7 cars were furnished; on two days following those on which the 7 cars were furnished 2 cars and 3 cars were furnished and the mine loaded out. On 2 other days 6 cars were furnished, on the other days 5 cars or less were furnished, so that, for example, in October, 1912,

out of 27 working days, the Davis mines averaged 20½ days, whereas those of the complainants averaged only 7.9 days. In November, 1912, the Davis mines averaged 20½ days and complainants 9.7 days. The cars seem to have been so supplied to the Davis mines that they could run regularly. The importance of this is that when a mine can not operate regularly the miners leave and go to the mines that can operate regularly, thus paralyzing the inactive mines for the balance of the car-shortage period.

It appears further that the miners insist on beginning work at 7 o'clock in the morning; it is therefore necessary that cars must be ready to be loaded at that time or a day's run can not be made. It appears that defendant makes a practice of furnishing the Davis mines with their cars before 7 o'clock of the days ordered, while with the complainants deliveries are made late in the afternoon frequently, with the result that the mines can not be worked until the following day.

From the results thus obtained under the system of car distribution employed by the defendant, as above indicated, it seems that it must have been devised and prosecuted with a view to furnishing the mines which are owned by the same interests as the defendant railroad all the cars required during periods of car shortage and high prices. The discrimination permitted by this system, as indicated, is of the most insidious character, calling for drastic action by this Commission.

In view of all the facts appearing in this case, it is our opinion and finding that the distribution of coal cars based upon the element of physical capacity is wholly unsatisfactory and works injustice. The best basis for the distribution of cars in this case is the proportionate necessities of the mines, as indicated by past performances, extending over periods of car shortage as well as periods of free distribution. No basis of distribution can be absolutely precise. It is not necessary, however, to imagine anything or to deal in speculations or possibilities. The total shipments of each mine, taken for the two-year period prior to January 1, 1913, divided by the number of 10-hour days the mine actually operated during such period furnishes the actual average daily output over a two-year period during car shortage as well as during free car supply. Such a basis will not permit speculation, but will reflect the operations and possibilities of each mine as truly as they can be ascertained, and such shall be the basis hereafter. This basis may be readjusted quarterly on reports to the defendant as now made, which shall also include information of the actual performance of each mine as herein indicated. Also, cars must be supplied to all operators as of 7 a. m. of the day charged. Where the mine's percentage is not high enough to entitle it

to one car in the distribution for the day its order shall go over to the next day and such mine shall be supplied before any other on the next day's distribution. In the case of a new mine or a mine that did not operate during period above described, an arbitrary allotment shall be made upon request, which shall bear due relation to other operating mines of similar proportions. It is recommended that the defendant continue to require the mines to report quarterly, as now, concerning their operations, and the mine operators are cautioned that these reports hereafter must not be padded. By reason of the financial and personal relation existing between the defendant company and the Davis Colliery Company, in complying with the views expressed herein the strictest impartiality will be required. In the first instance, it will be left to the defendant to make effective the suggestions incorporated herein. If this is not done prior to August 1, 1914, upon complainants bringing the matter to the attention of the Commission, appropriate order will be entered.

The basis of distribution herein prescribed will reduce the annual periods of car shortage and consequent percentage periods. The total tonnage basis under the present system is very much inflated and the resultant car requirements much more extended than the actual demand warrants. The tonnage basis will be greatly reduced and will be more in accord with actual car requirements and the period of car shortage will be correspondingly reduced.

The peculiar situation presented by the fact that the Coalton mine cokes a large portion of its output is also solved by the adoption of the basis of distribution indicated herein. The Coalton mine coked about 625 tons of its output of coal per day and shipped, as indicated in the table above, an average of 353 tons a day with an indicated physical capacity of 4,800 tons. The point was made that this mine was entitled to have its whole physical capacity taken into consideration in its allotment, although it usually coked most of its output. Such a consideration of physical capacity gives this mine an unwarranted advantage.

Complainants have not proved that they have been damaged by reason of the discrimination complained of, and on principle of *New Orleans Board of Trade v. I. C. R. R. Co.*, 29 I. C. C., 32, reparation will be denied.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 354.
DUNNAGE ALLOWANCES.

Submitted April 16, 1914. Decided June 12, 1914.

Respondents having justified the cancellation from tariffs applying to points in southwestern territory of the provision for dunnage allowances on shipments in closed cars, the order of suspension will be vacated.

F. A. Leland, J. D. Watson, and R. C. Fyfe for Southwestern Tariff Committee lines.

A. H. Lossow for Minneapolis, St. Paul & Sault Ste. Marie Railway Company.

R. D. Coleman for St. Louis Southwestern Railway Company.

J. S. Marvin for National Automobile Chamber of Commerce, incorporated.

S. D. Snow and F. C. Angerstein for International Harvester Company of America.

Victor A. Remy for International Harvester Company of America, National Implement & Vehicle Association, and Illinois Manufacturers' Association.

W. J. Evans for National Implement & Vehicle Association.

H. E. Johnson and G. M. Sherman for Studebaker Corporation.

L. R. Martin for Oliver Chilled Plow Works.

H. A. Laing for Libby, McNeill & Libby.

H. C. Dowling for Morris & Company.

B. H. O'Meara for Douglas & Company.

F. S. Ryan for Corn Products Refining Company.

D. S. Dixon for Southern Cotton Oil Company.

J. W. Bomgardner for John A. Roebling's Sons Company.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

By schedules, the operation of which was herein suspended until October 23, 1914, respondents sought to cancel from tariffs applying to points in southwestern territory provision for dunnage allowances on shipments in closed cars. As to all of the schedules, the rule which has been in effect since May, 1912, is substantially as follows:

An allowance of actual weight used, but not more than 500 pounds, will be made for dunnage used by shippers and furnished at their expense to protect

freight in carloads shipped in box, stock, ventilated, or refrigerator cars, provided that in no case shall less than the minimum weight applicable to the commodity shipped be charged for. Shippers shall indicate on their shipping instructions the actual weight of the dunnage used, and any weight in excess of 500 pounds shall be charged for at the rate applicable to the shipment to protect which the dunnage is used.

The position of respondents is that the dunnage allowance encourages inferior and unsafe packing, adds to the transportation risk, and increases the carriers' cost; that in effect it gives preference to shippers loading their goods in bulk, braced, stayed, or supported in cars, as against those tendering goods packed in safe and secure containers, such as boxes, barrels, and crates, which give to carriers the maximum protection and minimum transportation risk and expense; that its continuance will invite, as it has in the past, increasingly numerous demands for the waiving of packing requirements in order to eliminate the cost of packages and reduce the weight of the goods; that it is the nature of the goods, the form in which tendered for conveyance, and their liability to injury in transit which renders dunnage necessary rather than the protection of the carriers' equipment; that there is a sufficient distinction between the conditions surrounding transportation on open and in closed cars to warrant the granting of an allowance in the one case and its denial in the other, and that the rates and minimum weights themselves were established long before the practice of allowing for dunnage, which had been in effect in contiguous territories as the result of the action of some individual carriers, was forced upon these respondents.

Protestants heard in opposition to the cancellation represent manufacturers and shippers of such articles as automobiles and parts, agricultural implements, wire rope and cables, starch, and lard pails. They contend that dunnage, including blocks, braces, double decks, bulkheads, and door shields, is used as much for the protection of the carriers' equipment as for the protection and safe transportation of the shipment; that such dunnage constitutes transportation accessories which it is the carriers' duty to furnish, and when furnished by shippers should be hauled free; that there is no sound reason for discontinuing allowances on freight in closed cars while continuing to grant them in connection with freight in open cars; that such action would effect unjust discrimination; and that the cancellation, if permitted, will, in effect, unjustifiably increase the rates, since when the dunnage allowance was first established due and full consideration was given to the measure of the rates themselves, which were thus indirectly reduced.

As has been indicated, the allowance on traffic in closed cars to the southwest is of comparatively recent origin, and the same thing is true as to western classification territory in general. The record indi-

cates that the carriers in these sections are not all of the same mind with respect to the propriety of or the necessity for granting such an allowance, and exhibits were filed from which it appears that in various parts of the country, as to the several classifications and exceptions thereto, agency tariffs and tariffs of individual roads there are many differing practices, some making an allowance of 500 to 1,000 pounds on traffic in both open and closed cars, some as to open cars only, others as to closed cars only, and still others making no allowance. We agree with the views expressed by the opposing interests in this case—that uniformity is much to be desired and should be accomplished—but we can here deal only with the schedules under suspension, and the question is upon the propriety and lawfulness of the proposition to require shippers to pay freight charges on basis of the rate for the commodity shipped on the full weight of the dunnage materials furnished by them and installed at their expense.

As to the tariffs dealt with in this proceeding, there is no provision for boxing or crating of automobiles, and it was testified that in this territory they have never been shipped in boxes or crates. Ratings for certain automobile parts in boxes, crates, or packages have been provided for, and respondents show that on application of the manufacturers these requirements have, in some instances, been waived, while in others the elimination of the boxing or crating provision was refused. Agricultural implements are shipped partly inclosed; that is, with sharp points and more fragile parts protected, but otherwise are loaded in bulk, dependence being placed upon the blocks, braces, supports, and other dunnage to safeguard the goods. Wire rope and cables are ordinarily wound on reels or spools, which can not be loaded flat, but must be placed upright and held in position with blocks and braces. The reels or spools frequently weigh from 6,000 to 20,000 pounds each and are susceptible of little damage to themselves, but would cause serious injury to other goods or to the carriers' equipment and property if permitted to shift in the cars. For starch, shipped ordinarily in boxes, barrels, or bags, the only dunnage required, except for door slats or shields, is in instances where the load extends above the lining of the car and it is necessary to install additional lining to prevent the top tiers from shifting from side to side. Lard pails are permitted to be shipped loose, protected by bulkheads or crating. Those referred to in testimony vary in size from 5 pounds to 50 pounds, and owing to their shape can not be nested. Other kinds of tin cans can be nested or are crated and load more heavily. Respondents cite many instances in which the classification has been amended to permit of bulk shipping in order to eliminate the cost of boxes, crates, or other packing, and refer to similar applications now pending. For ex-

ample, pianos, which formerly required expensive boxes, will now be accepted unboxed if harnessed in the car; acids and chemicals in carboys are permitted to be shipped with the necks of the carboys protruding above the tiers instead of completely boxed or covered; certain kinds of expensive brick and earthenware and stoneware are received packed in bulk in straw with partitions or bracing; bakery goods in cartons and cans may now, as the result of requests of the large bakery interests, be loaded in bulk, the shipper bulkheading or bracing the goods in the car, whereas formerly boxing or crating was necessary. It is not contended that as to all of the industries represented by protestants the acceptance of shipments loose, or without boxes, crates, or other containers, is a reversal of a previous practice, or that the dunnage actually takes the place of some other packing material which was formerly used, but it is insisted that the practice of dunning shipments is, in effect, a substitute for other shipping practices which are more expensive to the shipper, but are attended with less risk and expense to the carrier, and this is clearly established by several illustrations furnished by the opposing parties, which we deem it unnecessary here to set forth.

The testimony offered by the automobile interests concerns more especially the smaller types of machines which can be and are shipped double decked in the cars, the shipper furnishing and installing the double decks and other necessary materials for bracing, the expense of which and the freight charges on which are assessed against the consignee, and, presumably, are eventually paid by the consumer. The use of double decks and attendant dunnage is, according to the testimony, less expensive for the shipper than complete boxing or crating or than the use of two cars. The track, platform, and loading facilities of the shippers would be inadequate for their needs were double decking discontinued, thus rendering necessary the loading of a largely increased number of single-deck cars. Serious car shortages have been experienced in the past, even with this method of conserving the car supply, and protestants are of the opinion that if their requirements in this respect were augmented by discarding double decks the shortages would cripple their business. It is alleged that the boxing or crating of automobiles would, owing to the enormous output of the present day, be impracticable; that shipments so made would be cumbersome and unwieldy; and that there would result a great economic waste. It is not denied, however, that export shipments of automobiles are so packed.

The loading of agricultural implements, as disclosed by exhibits introduced, is scientifically done. Much of the dunnage doubtless is designed to increase the weight of the load or to separate the lots for partial loading or unloading, and it is contended as to this com-

modity, as well as to automobiles and other articles enumerated, that only by the use of dunnage and racking can the cars be made to hold the minimum loads prescribed by the tariffs or classifications. Agricultural implements are completely boxed for export trade, but it is stated that their bulk and weight would preclude such packing of domestic shipments, which frequently have to be handled to and from cars by one man or two men.

Respondents assert that it is the lawful right of the carrier to refuse to accept for transportation goods which are not properly packed or which are not offered in such secure and safe form as to protect them against damage or prevent injury to the equipment. Protestants, however, relying upon the provisions of section 1 of the act, deny that any such right exists. As to this it may be said that the authorities generally have recognized that it is not only the right but the duty of the carrier to decline shipments which are not so prepared or packed as to render them safe for transportation, and to establish reasonable rules and practices in this respect. In *Davies v. L. & N. R. R. Co.*, 18 I. C. C., 540, the defendants provided in their tariffs for the loading of fruits and vegetables and the supplying and placing of dunnage and braces at their expense, assessing against the shipper or consignee the actual expense of material and labor. The contention that it was the defendants' duty to load, strip, and brace carload shipments at their own expense was held by us to be untenable, and we said at page 543:

The service of loading, furnishing material, and placing in the cars is an additional service over and above the transportation for which carriers are entitled to receive reasonable compensation.

Risk is one of the elements entering into the present day rate fabric, and innumerable classifications and tariffs throughout the country contain packing and shipping requirements which can have no other justification than the right of the carrier to require the use of substantial and suitable containers and the elimination of hazard by the secure staying of unpacked articles. Carriers are obligated to furnish suitable cars and to receive and transport goods tendered to them in safe shipping condition, but are not obligated to prepare shipments for transportation. Standard box, stock, ventilated, and refrigerator cars in good repair will accommodate all of the ordinary and usual needs of shippers, and if more than this is demanded because of the form, nature, or peculiar characteristics of goods tendered for conveyance some obligation must attach to the shipper in connection with the additional demand. In *National Wholesale Lumber Dealers' Asso. v. A. C. L. R. R. Co.*, 14 I. C. C., 154, 160, we said:

Ever since the inception of railroad transportation shippers have, generally speaking, loaded and their consignees have unloaded carload freight. This practice or custom arose naturally because it was the easiest, most economical.

and satisfactory way of doing the business. It is practically out of the question for railroads to provide men to load and unload carload freight at all points in the country. The shipper can load more satisfactorily and economically than anyone else. He is able to possess himself of effective appliances, where they can be used, and to employ skilled men to properly load all carload traffic, whether shipped in closed or on open cars. For the same reasons consignees are the best fitted to unload shipments. For more than fifty years the loading by consignor and unloading by consignee has been a recognized rule of carload transportation, and this rule extends to and includes commodities which yield to carriers the larger part of their revenue. With this custom, and as properly a part of it, there has always existed another custom, which is that shippers are required to secure loads for safe carriage. Because the shipper does the loading he is best situated to fasten the load upon the car. He has the facilities and men at hand and can do the work more satisfactorily and economically than anyone else.

See also the so-called *Precooling case*, *A. T. & S. F. Ry. Co. v. United States*, 232 U. S., 199, and *Southwestern Missouri Millers' Club v. St. L. & S. F. R. R. Co.*, 26 I. C. C., 245, 251.

We have in several instances approved of tariff provisions for additional reasonable charges for loading and unloading when done by the carrier. For such services and all other special services performed by it apart from conveyance, we think the carrier may properly make a reasonable charge, since in our view they are not accessorial parts of the transportation which section 1 requires the carrier to furnish. If the placing of blocks, braces, supports, and like materials in lieu of packing, crating, or boxing of individual units of carload shipments is essential for the safe transportation of the loads, the materials should be furnished and placed by the shipper. Can it be said, however, that having supplied and installed the requisite dunnage, the shipper may lawfully and should equitably be charged, either in part or in full, for the conveyance thereof at the rates charged for the commodity shipped? There can be no doubt on this record that the primary and most important purpose of the dunnage used in varying forms by the shipping interests here represented is to make the load safe for transportation and to obviate injury to the goods, the prevention of damage to the carriers' equipment or property being a minor consideration. Under these circumstances and in view of the fact that the substitution of dunnage for the more expensive boxes and crates and other packing material in respect of most

vantage to the shipper and freight charges must be paid carriers should receive revenue. The effect of the cancellation of the tariff by many other shippers and by protestants, but these, as a reason for a view contrary to

riers throughout the country in their tariffs provide for transportation free, or with appropriate allowance, of ice and stoves and linings with perishable freight; hay, straw, and sawdust with beer, eggs, vegetables, and fruit; salt with salt meats; and feed and attendants with live stock, poultry, and other like articles. These, however, which are mainly in the nature of measures looking to the preservation of the freight, are the outgrowth of peculiar conditions and are not to be identified with the issues now before us. We have uniformly approved of open-car allowances for standards, stakes, strips, blocks, and braces, and in several cases have held 500 pounds to be a reasonable allowance. In the case entitled *In the Matter of the Suspension of Western Classification No. 51*, 25 I. C. C., 442, disposing of a proposal to cancel the 500 pounds open-car allowance in the western classification, we said, at page 494:

It is pointed out that materials embraced in dunnage cost money to the shipper and that they are generally lost or wasted with a single use, and therefore have no salvage value. It is also argued that these materials perform a service for the carrier, in that they make shipments more secure and to that extent reduce damage claims. It is also suggested that a discontinuance of the dunnage allowance will inevitably have a tendency on the part of shippers to reduce the weight of the materials thus used and consequently lessen the security of the shipments. We think there is much force in all of these arguments. It is unquestionably true that many of the expenses for dunnage are due to the inability of the carrier to furnish the kind of car desired by the shipper, and, rather than wait longer for the car he wants, he accepts the less desirable car, which he can get, and goes to the expense of fitting it. In this manner the shipper really contributes a part of the equipment which it is the duty of the carrier to furnish.

As an argument against the allowance for dunnage it is pointed out that shippers of other freight must pay freight on the weight of materials used in crating or boxing and in this manner they are being unjustly discriminated against. There is some force in this argument, but it seems to us that it is completely overshadowed by the other considerations which have been suggested. As a matter of sound public policy, as well as in the interests, in the long run, of both shipper and carrier, we think that the allowance of 500 pounds should be continued.

The views thus expressed still have full force and effect with respect to open cars, but they were not intended to define the reasonable practice to govern shipments in closed cars. It is true that boxes, crates, and similar packing materials constitute integral parts of the shipments they inclose, are often taken possession of by the consignee and may be put to further use, and hence have in some instances a further market value, while dunnage materials in both open and closed cars are generally discarded or lost, and thus wasted with a single use, but we are not convinced that the discontinuance of the allowance on traffic in closed cars will tend to lessen the amount or weight of the materials used for that purpose, and therefore to lessen the security of the shipment. If shippers elect to dispense with the

use of boxes, crates, and other packing which might be available for further use and upon the full weight of which the carriers would receive freight charges, we think the carrier offering equipment which would otherwise adequately take care of the shipment is entitled to revenue for the gross weight transported. The testimony here is that safety of load is of first importance, some shippers having used dunnage to such an extent as to elicit complaints from consignee against whom freight charges are assessed, while others have always used the smallest practicable amount; that an allowance for the full amount of dunnage used in lieu of a maximum of 500 pounds would not tend to safer loading, the present methods, especially as to the automobile trade, being preferred, and, conversely, that with the withdrawal of the present allowance it would still be to the interest of the shipper to provide ample protection, as is true with less-than-carload shipments which are not subject to any allowance.

If, as was stated in the *Western Classification case, supra*—

Many of the expenses for dunnage are due to the inability of the carrier to furnish the kind of car desired by the shipper, and, rather than wait longer for the car he wants, he accepts the less desirable car, which he can get, and goes to the expense of fitting it,

it follows that when the more desirable car, i. e., box, stock, or other closed car, is furnished no expense of fitting needs to be incurred except in consequence of conditions for which the carrier is not answerable, and it is optional with shippers to order and make use of the type of car best adapted to their needs. It is well known that the general run of the articles shipped on open cars, and subject to allowances for stakes, braces, supports, etc., such as lumber, poles, pipe, and similar freight, would not remain on the cars and could not be safely hauled unless so secured; but that contrariwise, little, if any, dunnage is required for such freight in closed cars. It is also well understood that the tare weight of the flat car, or gondola, is materially less than that of the built-up closed car, and therefore that the former is less expensive to haul.

That the establishment of the dunnage allowance effected a reduction in the total freight charges payable by shippers or consignees, and that its discontinuance will result in an increase in the total charges is obvious, but none of the respondents' rates are under suspension in this proceeding, and if the proposed change of practice is justified, respondents will have sustained the burden cast upon them by the statute.

Not all discrimination is unlawful, and neither the fact that in the event the cancellation is permitted shipments in closed cars to the territory covered by the schedules in controversy will be excluded from the benefit of the allowance for dunnage, while traffic in other

territories served by respondents and by other carriers will have such benefit, nor the fact that traffic in closed cars will be subjected to different treatment than traffic in open cars, which, as we have seen, is clearly differentiated, can on the evidence submitted be held to effect such discrimination as is forbidden by the statute.

The International Harvester Company of America ships certain small thrashers, corn huskers, and shredders in closed cars which come in competition with larger machines utilized for the same purpose, which are shipped by other manufacturers in open cars, and it was contended that the shipper of the smaller machines would be subjected to unjust discrimination by the withdrawal of the closed-car allowance. The record, however, suggests no reason why, if the shipper so elects, open cars can not be ordered and employed for the shipment of the small machines, nor does it indicate that the use of the open car by the shipper of the large machines is the result of anything else than the shipper's preference.

To the question of minimum weights the several protestants give considerable attention, and it is sought to show that dunnage must of necessity be used to enable them to load to the minimum. The minimum weights on automobiles, it is said, were fixed when this industry was in its infancy, and have never been changed, notwithstanding the fact that the factories are now turning out machines of larger types and dimensions. If it be true that there is need for modification of the existing minimum weights on this and other commodities with respect to the territory involved, or that, contrary to the Commission's numerous expressions, the tariff minimum weights are in excess of the capacity of the equipment, or in excess of what can ordinarily be loaded, and, consequently, unreasonable proceedings may be instituted looking to the application of the necessary remedy. We think it unsound in principle, however, to encourage car fitting or the use of dunnage in order to secure minimum loads, and to approve of the payment of allowances to offset expenses thus incurred. Even if it be established that dunnage must be employed to secure minimum carloads of some commodities, that fact can not be accepted as imposing upon carriers the obligation to continue the maintenance of a general rule for the payment of dunnage allowances on all freight in closed cars. The use of dunnage to enable heavy loading, or for the purpose of securing maximum loads and the use of fewer cars, is quite another proposition. The advantages of such practices are mutual, and apparently weigh as heavily in favor of the shipper as of the carrier. It is our conclusion that respondents have adequately borne the burden cast upon them, and that the cancellation should be permitted to become effective. The order of suspension will be vacated.

Commissioner CLARK took no part in the decision of this case.

No. 6329.

JACOB E. DECKER & SONS

v.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY
ET AL.

Submitted April 2, 1914. Decided June 9, 1914.

Complainant assails the rates on fresh meat and packing-house products from Mason City, Iowa, to Chicago, as unreasonable and discriminatory; *Held, That—*

1. The allegation that the rates on fresh meat and packing-house products are unreasonable *per se* has not been sustained.
2. The rates from Mason City to Chicago are not discriminatory, as compared with the rates from competing points.
3. The fact that Mason City pays different rates on fresh meats and packing-house products, whereas no difference in charge on the two is made from competing towns, is not in itself evidence of discrimination as against Mason City.
4. A comparison of the rates from Mason City with those from competing points does not show that the former are discriminatory.
5. Identity of ratio between commodity rates and the corresponding class rates is not indispensable to disprove absence of discrimination, especially where the divergence is moderate in amount. Complaint dismissed.

Senneff, Bliss & Witwer for complainant.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

W. H. Bremner for Minneapolis & St. Louis Railroad Company.

C. C. Wright and *R. H. Widdicombe* for Chicago & North Western Railway Company.

W. T. Hughes and *W. F. Dickinson* for Chicago, Rock Island & Pacific Railway Company.

Winston, Payne, Strawn & Shaw and *F. S. Hollands* for Chicago Great Western Railway Company.

A. P. Humburg for Illinois Central Railroad Company.

J. L. Minnis for Wabash Railroad Company.

REPORT OF THE COMMISSION.

DANIELS, *Commissioner*:

Complainant is a corporation engaged in the packing-house business at Mason City, Iowa, where its main office and plant are located. The principal business of the corporation is the buying and slaughtering of hogs, and the packing, shipping, and selling of both the fresh and cured products thereof. About 25 per cent of the total output of the plant is shipped to Chicago. Of this 25 per cent about three-tenths are fresh meats and seven-tenths packing-house products.

The complainant attacks the rates on fresh meat and packing-house products from Mason City to Chicago on two grounds: (1) That there is an unwarranted element of discrimination in the fact that Mason City's rate on fresh meat is 2 cents higher than the rate on packing-house products, while the rates from competing towns are commonly the same on both; (2) That they are unreasonably high both *per se* and as compared with the rates which competing points enjoy to Chicago.

The following table shows the distances from the points in question to Chicago, the rates on fresh meat and packing-house products, and the rates per ton-mile on both:

City.	Distance from Chicago.	Rate on fresh meats.		Rate on packing-house products.	
		Per 100 pounds.	Per ton-mile.	Per 100 pounds.	Per ton-mile.
	<i>Miles.</i>	<i>Cents.</i>	<i>Mills.</i>	<i>Cents.</i>	<i>Mills.</i>
Cedar Rapids, Iowa.....	219	13.5	12.33	13.5	12.3
Waterloo, Iowa.....	272	16	11.76	16	11.7
Ottumwa, Iowa.....	280	14.5	10.35	14.5	10.3
Marshalltown, Iowa.....	289	14	9.68	14	9.6
Austin, Minn.....	350.4	18	10.27	16	9.5
Mason City, Iowa.....	355	18	10.14	16	9.6
St. Paul, Minn.....	400	20	10	20	10

The above table shows that Mason City is the only point in the list except Austin from which the rate on fresh meats is not the same as the rate on packing-house products. It is this difference of 2 cents which the complainant attacks as discriminatory.

The evidence of record does not clearly explain why the rates on fresh meat and packing-house products are the same from so many of these points. Certainly it is not the universal custom to quote the same rate on both. Fresh meat is more difficult to preserve in transit than packing-house products, is more difficult to handle, and loads lighter by 5,000 or 6,000 pounds to the car. Not only do these differences frequently result in a higher rate on fresh meat than on packing-house products, but this Commission, by establishing higher rates on that commodity than on packing-house products has repeatedly recognized the comparatively greater cost of transporting fresh meat. In the case of *Hormel & Co. v. C. M. & St. P. Ry. Co.*, 26 I. C. C., 112, and 30 I. C. C., 98, the latter case having been decided as late as April 6, 1914, this Commission ordered the defendants to establish a rate of 18 cents on fresh meats and 16 cents on packing-house products from Austin, Minn., to Chicago.

The complainant bases its attack, however, not only on the fact that the difference of 2 cents between these two rates is unwarranted *per se*, but also on the ground that there is unjust discrimination

in the fact that Mason City is the only one in the list, except Austin, which is compelled to pay a higher rate on fresh meat than on packing-house products. The complainant, in other words, contends that the 18-cent rate is too high, and that the complainant suffers a loss, in competition with other points, to the extent that the rate on its fresh meat is higher than the rate on its packing-house products.

It is clear, however, that the matter can be looked at from another point of view. The towns competing with Mason City could maintain with equal logic that the latter city is being unduly favored to the extent that its rate is lower on packing-house products than on fresh meat. *Prima facie*, these competing towns would be equally warranted in asking that their packing-house rates be reduced 2 cents below their rates on fresh meats.

If the rate of 18 cents is unreasonably high, it should be reduced. If it is not unreasonably high, the complainant obviously is being favored by its lower rate on packing-house products. This introduces complainant's second contention, which is that both rates are too high and that both should be reduced to a 15-cent level.

A comparison of the rates in the above table with rates on fresh meat and packing-house products in other parts of the same general region shows that the rates from these points to Chicago are not excessive. This Commission, in *Investigation of Alleged Unreasonable Rates on Meats*, 22 I. C. C., 160, established a scale of rates for the transportation of fresh meat and packing-house products, *inter alia*, from the southwestern packing houses to various markets east of the Mississippi River. While the rates from the Iowa and Minnesota points named in the above table vary from 13½ cents for a haul of 219 miles to 20 cents for a haul of 400 miles, the rates established by the Commission in the opinion just referred to vary from 26 cents and 31 cents for a 220-mile haul to 38 cents and 46 cents for a haul of 400 miles. It will be observed that the rates established by the Commission are about 100 per cent greater than the rates which complainant attacks as unreasonable *per se* in the case at bar. Even allowing for possible differences in economic and commercial conditions between these two regions, and recognizing the fact that rates in the southwest are prevailingly higher than those in the vicinity of Chicago, it would still seem that the comparison militates rather forcibly against complainant's contention that the rates from Mason City to Chicago are unreasonable *per se*.

A study of the rates in the above table does not support complainant corporation's claim that its rates are unreasonable in comparison with those from competing points. Although the rates do not seem to have been established on any very uniform principle, they seem to increase fairly in proportion to the distance.

A comparison of the rates per ton-mile on fresh meat and packing-house products shows in most cases a gradual decrease fairly proportioned to the increased mileage. Not only does a comparison of Mason City's rate per ton-mile refute complainant's allegation of unfair discrimination against that place, but the rate per ton-mile on packing-house products from that place is comparatively so low as to give color to defendant's contention that an increase of the rate on packing-house products from Mason City would more fairly eliminate the element of discrimination than a reduction of the rate on fresh meat.

The *Hormel case, supra*, seems to be directly in point. In that case the complainant, who has a packing house at Austin, Minn., attacked as unreasonable a flat rate of 20 cents per 100 pounds on both fresh and cured meat from Austin to Chicago. The distance from Austin to Chicago, as is indicated in the above table, is practically the same as the distance from Mason City to Chicago. Moreover, as the record in said case will indicate, Austin and Mason City are competing points. After considering all the evidence in the *Hormel case* we reached the conclusion that an equitable relation should be maintained between Austin and the Iowa points, including Mason City, and we established a rate of 18 cents on fresh meat and 16 cents on packing-house products from Austin to Chicago. It will be seen that the rates established by the Commission in that case are exactly the same as those which complainant attacks in the instant case. In view of the fact that the distances are so nearly equal, and competitive conditions so similar, the complainant can not, without showing special conditions which the record in this case does not disclose, attack successfully rates which are precisely the same as those recently established by this Commission as just and reasonable in a similar case. It follows that complainant's request for the establishment of a rate of 15 cents on both fresh meats and packing-house products must be denied, and that the claim for reparation falls therewith.

Complainant's contention that Marshalltown enjoys rates that are so low as to give the packers of that place an undue advantage over complainant would at first seem to be supported by the evidence of record. An examination of the comparative rates now in effect between the points in question to Chicago apparently shows that the rates from Marshalltown are out of line with those from the other places. The force of this seeming disparity between Marshalltown rates to Chicago and Mason City rates to Chicago is weakened, however, by the consideration that on packing-house products, which constitute about 70 per cent of complainant's shipments to Chicago,

the Marshalltown rates per ton-mile and per car-mile are higher than the analogous rates from Mason City. This appears from the following table:

To Chicago from—	Distance.	Rate per 100 pounds.	Rate per ton-mile.	Rate per car-mile.
	<i>Miles.</i>	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
Marshalltown.....	289	14	9.68	12.6
Mason City.....	355	16	9.01	11.7

The complainant lays much stress on the fact that the commodity rates on fresh meat and packing-house products from Mason City are relatively higher as compared with the third and fifth class rates, respectively, than the rates from competing points. For example, the rate on fresh meat from Mason City (18 cents) is 42.8 per cent of the third-class rate (42 cents) while the rates on fresh meat from Marshalltown and Cedar Rapids are only 35 per cent and 39.9 per cent, respectively. The alleged significance of this comparison is that under the western classification fresh meat takes the third-class rate and packing-house products the fifth-class rate, and that the proportion between the class rate and the commodity rate should be the same in each case. We can not admit that this argument is conclusive. So many elements enter into the determination of a commodity rate that it can not be said that a commodity rate must always bear a fixed relation to the corresponding class rate, even as between competing points. Furthermore, the nicely balanced proportions suggested by the complainant could be attained as logically by an increase in the commodity rates from competing points, or even by a manipulation of the class rates from those points, as by the reduction in the commodity rates from Mason City. In the absence of other evidence that a rate is unreasonable or discriminatory, the fact that a commodity rate bears a moderately greater or less proportion to a corresponding class rate is not a sufficient ground for condemning the commodity rate as unreasonable or discriminatory.

An order of dismissal will be entered in conformity with this opinion.

Commissioner CLARK took no part in the decision of this case.

No. 4611.

RICHMOND CHAMBER OF COMMERCE

v.

SEABOARD AIR LINE RAILWAY ET AL

Submitted November 16, 1912. Decided June 8, 1914.

Upon complaint that the defendants unduly discriminate against receivers of freight at Richmond, Va., by performing switching service on interstate carload freight without charge for one and refusing to perform a like service for another where the service is performed under like circumstances and conditions, and that they unduly discriminate against receivers and shippers of freight at Richmond by refusing to absorb switching charges on interstate carload freight from connecting lines in that city, while at the same time no charge is made for similar switching service at Norfolk, Va., and other points. *Held, That—*

1. In cases where the traffic moves from the same points of origin and the switching charge is absorbed in the one case and not in the other there is a violation of section 2 of the act, as the existence of competition in the one case and not in the other clearly does not constitute a substantial dissimilarity of circumstances and conditions. Even, however, in the case of traffic which moves from different points and where section 3 alone may apply the competitive conditions relied upon are not sufficient to constitute a substantial dissimilarity of circumstances and conditions within the meaning of that section.
2. The imposition of switching charges on interstate carload freight at Richmond while at the same time no charge of a like character is imposed at Norfolk on similar traffic constitutes undue discrimination against receivers and shippers of freight at the former point, which the defendants will be required to remove.
3. Complaint with respect to unreasonable and discriminatory charges on trap peddler, and station-order cars not sustained.

*William A. Glasgow, jr., and Charles D. Drayton for complainant.
Merrel P. Callaway and Frank W. Gwathmey for Seaboard Air Line Railway; Atlantic Coast Line Railroad Company; Southern Railway Company; and Richmond, Fredericksburg & Potomac Railroad Company.*

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

The complaint in this case is directed against the Atlantic Coast Line Railroad Company, the Seaboard Air Line Railway, and the

Southern Railway Company, all of which, on November 6, 1909, ceased their indiscriminate absorption of connecting-line switching charges on carload traffic at Richmond, Va., and provided that thereafter such switching charges would be absorbed only when the carrier performing the transportation service was in competition for the traffic with the switching line. The discontinuance of the absorption of connecting-line switching on trap, peddler, and station-order cars, hereinafter defined, and the making of a charge for the switching service when from industries on the line of the carrier performing the road haul, is also challenged. The resulting increased transportation charges are alleged to be unreasonable and to unduly discriminate between shippers in Richmond and against Richmond shippers as compared with shippers at Norfolk, Va., Memphis, Tenn., Louisville, Ky., Cincinnati, Ohio, and St. Louis, Mo., where different practices are said to obtain. It is further asserted that the cancellation of through routes and reasonable rates applicable thereto has thus been effected, and we are asked to restore such through routes and reasonable rates.

The Chesapeake & Ohio Railway Company and the Richmond, Fredericksburg & Potomac Railroad are made parties defendant, presumably because of the prayer for through routes. These carriers pursue an entirely different policy from the southern lines and absorb connecting-line switching on all carload traffic from and to other than local points on their respective lines. It is the restoration or adoption of the same policy by the southern carriers that complainants seek.

The evolution through which the Richmond switching business has passed during the last several years presents a variety of practices differing frequently with each carrier. The principles employed, however, resolve themselves into two general divisions, the trunk line and the southern; the former is followed by the Chesapeake & Ohio and the Richmond, Fredericksburg & Potomac, and the latter by the Southern, Seaboard Air Line, and Atlantic Coast Line, which may be collectively referred to as the southern lines. The theory common to both principles is that connecting-line switching will be absorbed on competitive traffic, but the diversity of practices has been and is due to the sundry interpretations given the word "competitive." Many years ago the Chesapeake & Ohio absorbed connecting-line switching only when it competed with the switching line, but for a long time its practice has been to make the absorption on all traffic to or from other than local points on its own line, local points being defined to be points not reached by two or more lines. It is not necessary that the second line upon which the point of origin or destination is located be an actual or possible

competitor with the Chesapeake & Ohio; the physical fact that the point is served from any direction by another road renders it competitive according to this defendant's interpretation. At one time or another a similar interpretation was adopted, if not approved, by the other defendants which at periods acted even more liberally and absorbed switching to their local stations. The history of their dissensions indicates that there was a strong contention by one or more of these defendants for a more restricted application of the competitive theory. The Southern Railway has been a most persistent and consistent advocate of the more narrow construction, and in November, 1909, all of the southern lines took the position that in the absence of compelling competition with the switching road they would not absorb the switching charge. The Seaboard Air Line, always the most liberal of the southern carriers in its practice of absorption, on October 1, 1910, rescinded its action of November, 1909, and absorbed switching to or from other than local points until January 20, 1911, when it returned to the ranks of the other southern carriers. Carload shipments of fertilizer were originally included in the general restriction, but because of vigorous protests from the Richmond shippers the old practice of absorbing regardless of the competitive nature of the traffic was restored from March, 1910, to July of the same year. On intrastate shipments of fertilizer the absorption of switching charges is continued under an order of the Virginia Railroad Commission. Coal and coke have never been included in the nonabsorption provisions. Another departure is created by the Atlantic Coast Line which protects the Richmond rates on traffic to and from six specified industries on its tracks because said industries were located under contract with this defendant guaranteeing to them the Richmond rates. It is admitted that this discrimination can not continue and that it will be corrected as soon as this proceeding is concluded.

So far we have dealt only with carload traffic, but there is also involved such less-than-carload freight as moves in trap, peddler, and station-order cars, these being defined in defendants' tariffs as follows:

A trap is a car loaded with one or more less-than-carload shipments at points on private or assigned sidings for distribution at the railway freight warehouses into regular package or other cars for forwarding.

A peddler car is a car loaded with perishables for delivery at two or more destinations. It is generally loaded with freight requiring the protection of ice and its purpose is to enable the movement of small lots of freight to several destinations without transfer.

A station-order car is a car loaded with miscellaneous less-than-carload freight for two or more destinations on the same local freight-train division. A station-order car differs from a trap car in that the purpose of the station-order car is to permit its being put in trains without rehandling at the railway's freight warehouse.

To accommodate any of these shipments an empty car must be placed at the industry having a private track or assigned siding, there to be loaded with less-than-carload freight. In the case of peddler or station-order cars the car is switched directly to the yards of the carrier performing the line haul and there placed in the train without unloading or transfer. In the case of trap cars the car must be moved to the freight station of the line-haul carrier, where the freight is reloaded into cars for the proper destinations.

Generally speaking, prior to July 15, 1910, no additional charge was made for this service from industries on the line performing the transportation, and when from industries on connecting lines the switching of those lines was absorbed. For a short period the Southern Railway made a charge of \$2 on trap cars from its own tracks or from its interchange. Since July 15, 1910, all of the southern roads make a charge of \$2 from industries on their own rails. No charge is made from the interchange with connections and all connecting-line switching in excess of \$2 per car is absorbed. This has the effect of placing all users of this service upon a parity, the aggregate charge to the shipper being always the Richmond rate plus \$2. From October 1, 1910, to June 20, 1911, however, the Seaboard Air Line provided for the absorption of all connecting line switching on trap, peddler, and station-order cars containing 3,200 pounds or more of freight destined to competitive points; when containing less than 3,200 pounds, it absorbed all connecting-line switching in excess of \$2, but the practice of the three roads is now substantially uniform. The charge made by the line carrier for switching to and from an industry on its own tracks presents an independent issue, and will be separately considered. For the present we shall treat only of the question of absorption when from connecting lines. It will be observed that as to this traffic absorption is made only of connecting-line charges to the extent that they are in excess of \$2. The charges made by the switching lines vary from \$2 to \$3.50, dependent upon the location of the industry and the interchange tracks. It appears therefore that the absorption of the excess over \$2 is made solely for the purpose of placing all industries on a parity. There is no provision that the traffic must be competitive, and to this extent the practice of the southern lines, so far as this service is concerned, is more liberal than that of the Chesapeake & Ohio or the Richmond, Fredericksburg & Potomac, neither of whom will absorb connecting-line switching on other than freight moving at carload rates, but will make no charge for the service on 5,000 pounds or more of freight rated third class or higher, when moving via their lines. This is enough to portray the heterogeneous practices in vogue at Richmond, all of which defendants admit and ask us to make some

definite pronouncement that may be regarded as a criterion, to the end that uniformity, not only at Richmond, but elsewhere, may obtain.

The practice of absorbing or refusing to absorb switching charges must be both reasonable and nondiscriminatory. Reserving the question of reasonableness for final consideration, we think the foregoing recital illustrative of much discrimination. A portion of connecting-line switching on trap and station-order cars and all of connecting-line switching on carload shipments of coal and coke are absorbed despite the nonexistence of the competition now made a condition precedent to the absorption of other carload switching. On trap and station-order cars this absorption is voluntary; on coal and coke, according to defendants, it is made because the Chesapeake & Ohio delivers coal from its West Virginia mines anywhere in Richmond at the Richmond rate. But under its broad definition of competition the Chesapeake & Ohio also delivers anywhere in Richmond at the Richmond rate considerable other carload traffic, and we do not see why its practice should exert a controlling influence only as to coal and coke. It is true that the nature of these commodities renders this traffic largely competitive commercially, but we do not think this justifies the discrimination, nor is this phase of competition embraced in the principle here advanced. Absorption is made on intrastate shipments of fertilizer because the railroad commission of Virginia has withheld its approval of the proposed nonabsorption on this traffic. Furthermore at Norfolk, Va., switching charges on traffic from the Norfolk and Portsmouth Belt Line are absorbed, although the belt line can not in any way be a competitor for the line haul. It is urged that the belt line, owned jointly by the carriers serving Norfolk and Portsmouth, is in reality but an extension of the terminals of each road and that the switching charge paid the belt line by the line carriers is but their respective contributions to the maintenance of their joint property.

At Charleston, S. C., almost the same condition obtains with respect to the Charleston Terminal Company. At Louisville, Ky., the general rule, published in the tariff of the Southern Railway, is that connecting-line switching charges on carload traffic, trap and station-order cars, both competitive and noncompetitive, will be absorbed when the net revenue of the Southern is not less than \$12 per car. This defendant explains that Louisville is practically in official classification territory, where the more liberal absorption rule prevails, and that its practice at Louisville is controlled by the practice of the carriers with whom it competes for Louisville traffic; that these lines do not take the same view of switching absorption as the Southern Railway, and that it can not be alone in the enforcement

of the restricted theory if it is to obtain business. The carriers at Louisville apply the trunk line rule, while the southern lines at Richmond, after considerable controversy, have agreed upon a narrower view. At Memphis, Tenn., connecting-line switching on trap and station-order cars to or from other than local stations on its Memphis division is absorbed by the Southern Railway because, it alleges, the business district at Memphis has gradually moved from its terminals and it must make this sacrifice to place itself on a competitive basis with the other lines.

In *City Council of Atchison, Kans., v. M. P. Ry. Co.*, 12 I. C. C., 111, the Commission held that the practice of defendants in granting certain allowances or free service in the elevation, transfer, mixing, cleaning, and other handling of grain at Kansas City, Mo., Argentine, Leavenworth, and Kansas City, Kans., which were withheld by them at Atchison, Kans., a point which took the same rates as the other points named, was unduly prejudicial to Atchison, and that the discrimination should be removed.

In *Cattle Raisers' Asso. of Texas, v. C., B. & Q. R. R. Co.*, 12 I. C. C., 507, 515, the Commission said:

We held, in *City Council of Atchison v. M. P. Ry. Co.*, 12 I. C. C., 111, that where the defendants had for a long time treated certain Missouri River points as entitled to common rates and facilities and had thereby built up grain markets at these points, they must afford at one the same services in handling grain which they accord at others. Upon the same principle these carriers must not, in the absence of some justifying excuse, impose a terminal charge at Chicago, and not at other markets.

On principle the case under consideration is similar to *Duncan & Co. v. N. C. & St. L. Ry.*, 21 I. C. C., 186. In that case the Commission held that maintenance by defendants of transit privileges at Nashville, Tenn., while withholding such privileges from other southern cities was undue discrimination in favor of Nashville. This case is now before the Supreme Court, has been argued, and is awaiting decision.

No charge is imposed on the shipper or receiver of freight for switching at Norfolk. The carriers insist that the circumstances at Norfolk are different from those which exist at Richmond. We do not believe that because the carriers which serve Richmond own a belt line in Norfolk they are absolved from the obligation to impose their rates without undue discrimination against Richmond. It is a situation they are responsible for and one they can remedy.

If absorption practices are to be uniform, as defendants contend they should be, and if they are to be based upon a definite principle, there is no reason why that principle should not be uniformly applied. At Richmond a certain theory is employed because the southern lines have agreed to employ it; at other cities an entirely

different theory exists, not because of any difference in the matter of carriage, but because such different theory best suits the carriers serving those points. In other words, the southern lines would apply the restricted theory wherever they can and would conform to a different practice at places whose policy they can not seriously influence.

At Richmond most of the competition experienced by the southern lines is with each other, little coming from either the Chesapeake & Ohio or the Richmond, Fredericksburg & Potomac. If, therefore, they intentionally or accidentally agree upon a uniform absorption practice, there is no other carrier competition to prevent its execution.

If it be true that absorption must be governed entirely by competitive influences, it may well be argued that only that competition which is compelling should be recognized. All of these defendants contend that absorption is compelled when there is competition with the switching lines, but the southern carriers insist that this is the only competition which is compelling. If the shipment originates at a point common to all of the southern lines, destined to an industry in Richmond on the tracks of the Chesapeake & Ohio, the traffic is certainly competitive to Richmond, but because the Chesapeake & Ohio is not a competitor the switching charge of that line is not absorbed. In other words, such traffic ceases to be competitive upon its arrival at Richmond. If the same car were destined to an industry on the rails of the Seaboard Air Line, the switching charge of that carrier would be absorbed by the Atlantic Coast Line or the Southern Railway, and such industry would have an advantage over the Chesapeake & Ohio industry to the extent of the absorption. In the one case the shipper or consignee would pay only the Richmond rate; in the other, he would pay the Richmond rate plus the switching charge. The only justification offered for this advantage is that the Seaboard Air Line, Atlantic Coast Line, and Southern are rival roads, and that the transportation is therefore not performed under circumstances and conditions substantially similar to those attendant upon the transportation to the Chesapeake & Ohio industry. But the Supreme Court has said that "the phrase under substantially similar circumstances and conditions, as used in the second section, refers to the matter of carriage and does not include competition between rival roads." *Wight v. U. S.*, 167 U. S., 512; *I. C. C. v. Alabama Midland Ry. Co.*, 168 U. S., 144. In cases where the traffic moves from the same points of origin, and the switching charge is absorbed in the one case and not in the other, there is a violation of section 2, as the existence of competition in the one case and not in the other clearly does not constitute a substantial dissimilarity of circumstances and conditions. Even, however, in the case of traffic which moves from different points of origin, and where it may be

that section 3 alone applies we do not think the competitive conditions relied upon are sufficient to constitute a substantial dissimilarity of circumstances and conditions within the meaning of that section. *Traffic Bureau of Nashville v. L. & N. R. R. Co.*, 28 I. C. C., 533.

It also follows, we think, that this absorption of switching charges at Norfolk by these defendants and their refusal to absorb switching charges at Richmond constitutes undue discrimination against the latter point in violation of section 3 of the act. It is well settled that if carriers absorb charges of any character for one shipper or refuse to absorb for others they must do the like for all others similarly situated and entitled to like treatment.

The Richmond rates have been in effect for a number of years without material change, and were substantially the same as at present when the absorption of switching was general and made without regard to competition. Prior to 1909 the Richmond rates may be said to have covered delivery anywhere in Richmond. While terminal charges were separately published by the switching lines such charges were absorbed by the line carrier, which thereby held itself out as a transporter of traffic to any point in Richmond at the Richmond rate.

No point is made, nor do we think one could be, that the switching line is not entitled to the compensation it receives, or that the charge for this service, considered independently, is unreasonable. Neither is it shown that the line-haul rate to Richmond is unreasonable, and upon this record we are unable to find that its combination with the switching charge constitutes an unreasonable rate. This is not open to the objection that the carriers have attempted to separate their terminal charges by adding to the line-haul rate, because the switching charge has always been separately published, and it is only the refusal of the defendants to absorb the amount so published that furnishes grounds for complaint.

If the aggregate of the rates for the line haul and for the terminal service is reasonable, this Commission could not require absorption of terminal charges in the absence of a showing of unjust discrimination.

In *Railroad Commission of Nevada v. S. P. Co.*, 21 I. C. C., 329, 366, we said:

A community is entitled to something more than a reasonable rate; it is entitled to a nondiscriminatory rate. The carrier may not say: "We will give to this community a reasonable rate," and meet the full requirements of the law; it must view its rates as a whole and see to it that they effect no advantage or preference to one community over another which does not arise necessarily out of the transportation advantages which the one has over the other

We have found that the refusal of the defendants to absorb switching charges on some carload shipments at Richmond while absorbing

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such charges on other carload shipments to and from that point is unjust discrimination against the shippers who are required to pay such charges, and also that the refusal of the defendants to absorb switching charges on some carload shipments at Richmond while absorbing such charges on like shipments at Norfolk is unjust discrimination against Richmond and traffic transported to and from that point. The defendants will be required to cease and desist from such discrimination in the future.

Trap, peddler, and station-order cars are next to be considered. Whether the service accorded the users of such cars constitutes an undue preference as against shippers of other less-than-carload freight is not an issue in this case, but requires some comment. The service is confined to shippers located on private or assigned sidings who load 10,000 or more pounds of less-than-carload freight rated lower than first class, or 5,000 or more pounds rated first class or higher. We are not prepared to hold that by confining the use of these cars to private or assigned sidings defendants unjustly discriminate against shippers who may desire to use team tracks. It does not appear that anyone wishes to avail himself of this service on team tracks or that it would be to his advantage to do so. Neither are we informed as to the discrimination, if any exist, against a shipper who has not the requisite tonnage. Until such questions are directly raised or the Commission is in possession of a more detailed account of these special services we shall express no opinion as to their discriminatory effect. The charge, almost uniformly \$2, made for this service from industries on the tracks of the line carrier, is certainly not unreasonable as applied to trap cars, which must be hauled to the carrier's freight shed, unloaded, assorted, and reloaded into cars for the respective destinations of the packages. Station-order cars and peddler cars, which are but station-order cars loaded with perishable freight, are designed to relieve the carrier of the expense of loading and of the warehouse congestion incident thereto. If these cars are moved from the industry directly to the assembling yards, the cost of handling the traffic is not so great as in the case of trap cars.

Specific data as to this saving were not submitted, and it might be that a charge reasonable for trap-car service would be unreasonable as applied to station-order or peddler cars. Again, on cars of this character, coming from connecting lines, the \$2 charge accrues to the switching line, the carrier performing the line haul receiving only the regular less-than-carload rates, although it handles the trap car from its interchange to its warehouse and there incurs the expense incident to the transfer of the packages. Considered solely as a charge for an accessorial service, there is nothing upon which to predi-

cate a finding of unreasonableness in the case of either trap, peddler, or station-order cars, though as to the latter two this finding is without prejudice to any subsequent proceeding involving more specifically the distinction between the different services.

The absorption of any portion of the terminal road's charge for switching trap, peddler, or station-order cars is certainly at variance with defendants' theory of absorbing only because of compelling competition, and because of the different nature of the traffic and the different conditions under which it is hauled we are not prepared on this record to find that unjust discrimination as between carload and less-than-carload traffic results. Our opinion is that this portion of the complaint should be dismissed.

Commissioner CLARK took no part in the decision of this case.

No. 5465.

AMERICAN HAY COMPANY

v.

CENTRAL VERMONT RAILWAY COMPANY ET AL

Submitted January 17, 1914. Decided June 9, 1914.

Complainant, owner of a hay shed at St. Albans, Vt., had the privilege of shipping hay to various destinations on old billing. To obtain this privilege complainant should have written "own billing" on the bill of lading. Complainant's agent wrote "new billing"; and, therefore, in accordance with the custom the carrier charged complainant the local rate from St. Albans. Complainant claimed as reparation difference between the through rate and the rate paid; *Held*, That where the option of a transit privilege exists the duty rests primarily on the shipper who elects to qualify for the enjoyment of said transit option, to make clear affirmatively to the carrier and shipper's written instructions in the premises, may fairly assume that to himself thereof; failing which, the carrier, especially when following shipper's written instructions in the premises, may fairly assume that the shipment is intended to be made without the benefit of transit privilege. Complaint dismissed.

Herbert Goldmark for complainant.

D. T. Lawrence and *M. S. Lynch* for Central Vermont Railway Company.

REPORT OF THE COMMISSION.

DANIELS, *Commissioner*:

The complainant, during the period covered by this controversy, conducted a hay business with its chief office in New York and operated in connection therewith a hay warehouse at St. Albans, Vt. Hay purchased north and west of St. Albans was brought to that station and there inspected, assorted, graded, and sent on to market in the south.

In the conduct of this business the hay sometimes went through St. Albans without being taken from the car, the inspection being made by opening the car door without breaking bulk of car's contents; but ordinarily the hay was taken from the car, placed in the warehouse and sorted; afterwards the car was reloaded. When this process was followed, the hay put back into the car was not always identical with the hay taken from the same car.

When the hay was shipped into St. Albans, the complainant in all cases paid the local rate; but by the payment of a reconsignment charge of \$2 per car, complainant had the privilege on the outward

shipment of the hay, whether the hay had or had not been unloaded, of sending the same, or an equal weight of other hay, to the desired destination at the balance of the through rate. The claim of the complainant is, that although entitled to the transit privilege, it was charged upon the particular carloads in controversy more than the through rate.

It appears from the testimony that, in case of the carloads involved, there was no joint through rate from the point of origin to the point of destination. The lowest combination was made sometimes upon Iberville, Canada, and sometimes upon Norwich, Conn. The complainant was charged upon the shipments in question the combination rate on St. Albans, which in the instance of these particular carloads was higher than that upon Norwich in some cases, and than that upon Iberville in other cases. It claims in this proceeding the benefit of the lowest combination.

It is a self-evident proposition that if the complainant was entitled to a through rate upon these carloads of hay, and if no joint rate was published, then the lowest available combination by the route over which the traffic moved should have been applied. This is not controverted by the Central Vermont Railway Company, hereinafter referred to as the defendant. Defendant denies that these shipments were in fact through shipments and entitled to the through rate. These shipments were in all cases locally billed to St. Albans and then billed out again locally from St. Albans. This procedure appears of record to have been in accord with explicit written directions from the complainant; and it is not denied by the complainant that the correct rate was collected if the shipments should have been treated as local shipments from St. Albans.

Though the complainant purchased nearly all of its hay at points other than St. Albans, and though, therefore, the greater part of the hay handled by it came into St. Albans by rail, yet it also purchased a small amount locally at St. Albans which was delivered to it by team. Upon such hay the transit privilege could not be accorded.

It further appears that outbound cars were checked against inbound cars, car against car. The credit arising on an inbound car was canceled when an outbound car entitled to transit privilege was despatched, even though the outbound shipment weighed less than the inbound shipment.

Under the rules of the defendant as applied at this time, credits on account of inbound billing could not be made available for outbound shipments unless used within a given time limit, and the testimony indicates that such credits were sometimes canceled on this account.

If the complainant desired to take advantage of the through rate with reconsignment privilege, the local usage required that he write

"own billing" on the bill of lading. All the bills of lading reissued at St. Albans covering the cars in controversy bore the notation "new billing." The testimony of the defendant shows that the common understanding of the railroad and the complainant was that the term "new billing" signified that the car represented by the bill of lading was to be shipped out from St. Albans as if originating at that point. Upon this record, therefore, all these carloads were billed from St. Albans as though originating there instead of being billed out under the through rate, and this by express written direction of the complainant.

A considerable number of cars is involved. The complainant insists that, since only a small quantity of hay was purchased by it locally at St. Albans, and since its shipments were promptly handled at St. Albans and forwarded, and since outbound shipments were usually equivalent to inbound, credits for outbound billing must have existed under which these outbound carloads could move. One or two instances are shown where the outbound shipment was made in the same car in which the inbound shipment had arrived two or three days before; for these cars credits for outbound billing must have been available. But even though the complainant had such credits, it may have preferred to defer their use for subsequent shipments. However, it is established that the complainant, by its annotation of the shipping instructions, did empower the defendant to bill these shipments locally from St. Albans. Had this been the result of inadvertence, a remedy might be found, but in the present case no evidence of mistake or oversight appears. It is therefore not unreasonable to impose upon the complainant the consequence of its deliberate action; and we must hold that these shipments from St. Albans were not through shipments, but local shipments, and that the correct rate has been applied.

There is surprisingly little evidence in the record as to the actual payment of the \$2 transit privilege. If such charge were paid by the complainant, and no direction incompatible with through routing were written by the complainant on the shipping directions from St. Albans, the carrier might be deemed on notice that the complainant wished the combination rate; but even though this \$2 charge were paid, if the shipper annotated the new shipping directions "new billing" the carrier was warranted in concluding that the shipper waived the privilege paid for as regards that particular car, and in billing said car at the local rate.

Assuming, however, that these shipments were local, and that the rates properly applicable were the local rate from point of origin to St. Albans and the local rate from St. Albans to destination, still the complainant insists that the charges exacted by the defendant

were exorbitant for the reason that the rate into St. Albans was excessive.

These inbound rates vary with the point of origin, but were usually 18 cents per 100 pounds. This rate of 18 cents applied to St. Albans, and as a blanket from St. Albans to Norwich upon the south, 250 miles distant. The complainant urges that the rate to St. Albans was excessive, and that it should be awarded damages upon the basis of a reasonable rate. Upon the other hand, the defendant insists that the rate to Norwich was altogether too low and that the rate to St. Albans, all things considered, was not unreasonable.

These shipments moved from several points. A large number came from Pierreville, Quebec, and this point may be referred to by way of illustration. Pierreville is located upon the Quebec, Montreal & Southern Railroad, 90 miles from Iberville, its point of connection with the Central Vermont. The defendant stated that this Canadian railroad had but a small income, with practically no traffic except hay, and that at the rates in force it could hardly pay the expenses of its operation.

The distance from Pierreville to St. Albans is 132 miles. The testimony shows that there is no loaded car movement from St. Albans to Pierreville, and that, therefore, the cars in which this hay is brought out must invariably be taken in empty. These carloads of hay were usually somewhat in excess of 20,000 pounds. The carriers, therefore, would receive for hauling the empty car from St. Albans to Pierreville, and the loaded car from Pierreville to St. Albans, about \$36. When the character of the line over which this traffic is handled for 90 miles from Pierreville to Iberville is considered, it can not satisfactorily be affirmed that this rate, considered in and of itself, was unreasonable.

The rate of 18 cents from Pierreville to St. Albans has since been reduced to 16 cents, and there have been slight reductions in some of the other rates involved in these inbound shipments. No case was, however, brought to our attention, and no instance is found from an examination of the exhibit of the complainant in which we are prepared to hold at this time and upon this record that the inbound rate was unlawful. The complaint, therefore, will be dismissed, and an order to that effect will be entered.

Commissioner CLARK took no part in the decision of this case.

No. 6520.
ONTARIO IRON ORE COMPANY
v.
**NEW YORK CENTRAL & HUDSON RIVER RAILROAD
COMPANY ET AL.**

No. 6520 (Sub-No. 1).
SAME
v.
**NEW YORK CENTRAL & HUDSON RIVER RAILROAD
COMPANY ET AL.**

No. 6520 (Sub-No. 2).
SAME
v.
SAME.

Submitted June 3, 1914. Decided June 13, 1914.

Upon all the facts disclosed by the record the Commission is of the opinion that the present rate of \$1.10 per gross ton for the transportation of iron ore in carloads from Fruitland and Ontario, N. Y., to Emporium, Pa., and the present rate of \$1.60 per gross ton on the same traffic to Earlston, Saxton, and Riddlesburg, Pa., have not been shown to be unreasonable nor unjustly prejudicial. The present rate of \$1.60 per gross ton to Curtin, Milesburg, and Bellefonte, Pa., found unreasonable to the extent it exceeds \$1.40.

F. E. Young for complainant.

E. S. Ballard and *F. L. Ballard* for defendants.

REPORT OF THE COMMISSION.

MEYER, Commissioner:

These are complaints that rates for the transportation of hematite iron ore in carloads from Fruitland and Ontario, N. Y., to Emporium, Curtin, Milesburg, Bellefonte, Earlston, Saxton, and Riddlesburg, Pa., are unreasonable and discriminatory. Reparation is asked.

The complaints will be considered as one for the purpose of this report. Fruitland and Ontario are stations, three miles apart, on a

line of the New York Central system, about 20 miles northeast of Rochester, N. Y., and are reached by no other carrier. The points of destination involved are located on lines of the Pennsylvania Railroad Company or Huntingdon & Broad Top Mountain Railroad, in the central part of the state of Pennsylvania. At Fruitland and Ontario complainant owns and operates iron mines. The rates from both points are the same and mining and transportation conditions at both mines are similar. The ore produced at complainant's mines is a low-grade hematite, which is sold upon the basis of a guaranty of 44 per cent of iron. It comes in direct competition with ore from the Mesaba region in Minnesota, which is sold upon a guaranty basis of 52½ per cent of iron. It is alleged by complainant that its ore also meets in competition ore from Benson Mines, N. Y., which is shipped and sold as a concentrate under a guaranty of 65 per cent of iron. Benson Mines is a point about 150 miles northeast of Fruitland and on a line of the New York Central system. The value of complainant's ore at points of destination is from \$3.80 to \$4 per gross ton; the Mesaba ore is valued at the same points from \$4.15 to \$5.50 per ton; and the concentrates from Benson Mines from \$5.50 to \$6.50 per ton. It costs complainant from \$1.50 to \$1.80 per ton to place ore on cars at its mines, and its cost of loading is greater than at the Mesaba Mines or at Benson Mines.

The rates on iron ore from Fruitland and Ontario to the points involved and to the same points from Buffalo and Benson Mines, together with distances via the route of movement and via the short lines, and the yield per ton-mile, are shown by the table following.

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To—	From Ontario and Fruitland, N. Y.				From Buffalo, N. Y.				From Benson Mines, N. Y.			
	Rate.	Miles.	Route.	Per ton-mile.	Rate.	Miles.	Route.	Per ton-mile.	Rate.	Miles.	Route.	Per ton-mile.
Emporium, Pa.....	\$1.10	183	N. Y. C. & H. R.; Rochester, N. Y.; and P. R. R.	Mills. 6	\$0.75	123	P. R. R.....	Mills. 6.1	\$1.40	368	N. Y. C. & H. R.; Genesee Jct., N. Y.; and P. R. R.	Mills. 4
Curtin, Pa.....	1.60	266	N. Y. C. & H. R.; Mill Hall, Pa.; and P. R. R.	6.2	1.15	214	.....do.....	5.3	1.60	366	N. Y. C. & H. R.; Mill Hall, Pa.; and P. R. R.	4.3
Short line Milesburg, Pa.....	.....	219	.....	7.3	.....	.....	.....	.....	.....	.....	.....	.....
Short line	1.60	259	N. Y. C. & H. R.; Mill Hall, Pa.; and P. R. R.	6.1	1.15	217	P. R. R.....	5.3	1.60	369	N. Y. C. & H. R.; Mill Hall, Pa.; and P. R. R.	4.3
Short line Bellefonte, Pa.....	.....	223	.....	7.1	.....	.....	.....	.....	.....	.....	.....	.....
Short line	1.60	262	N. Y. C. & H. R.; Mill Hall, Pa.; and P. R. R.	6.1	1.15	220	P. R. R.....	5.3	1.60	372	N. Y. C. & H. R.; Mill Hall, Pa.; and P. R. R.	4.3
Short line Saxton, Pa.....	.....	226	.....	7	.....	.....	.....	.....	.....	.....	.....	.....
Short line	1.60	367	N. Y. C. & H. R.; Newberry Jct., Pa.; P. R. R.; and H. & B. T. M.	4.3	1.45	296	P. R. R. & H. & B. T. M.	4.9	1.85	448	N. Y. C. & H. R.; Wallington, N. Y.; P. R. R.; and H. & B. T. M.	4.1
Short line Riddlesburg, Pa.....	.....	298	.....	5.3	.....	.....	.....	.....	.....	.....	.....	.....
Short line	1.60	372	N. Y. C. & H. R.; Newberry Jct., Pa.; and P. R. R.	4.3	1.45	301	P. R. R. & H. & B. T. M.	4.8	1.85	453	N. Y. C. & H. R.; Wallington, N. Y.; P. R. R.; and H. & B. T. M.	4.1
Short line Earlston, Pa.....	.....	303	.....	5.3	.....	.....	.....	.....	.....	.....	.....	.....
Short line	1.60	388	N. Y. C. & H. R.; Newberry Jct., Pa.; and P. R. R.	4.1	1.45	317	P. R. R.....	4.6	1.85	469	N. Y. C. & H. R.; Wallington, N. Y.; and P. R. R.	3.9
Short line	.....	322	.....	4.9	.....	.....	.....	.....	.....	.....	.....	.....

It is contended generally by the complainant that rates on iron ore from Buffalo and Benson Mines are prejudicial to it; that the rate of \$1.10 from Fruitland and Ontario to Emporium is unreasonable to the extent it exceeds 80 cents; and that the rate of \$1.60 to the other points of destination in question is unreasonable to the extent it exceeds \$1.30. Complainant shows from annual reports of the defendants that the average yield per car-mile on all traffic is less than the yield per car-mile on ore shipped by it to the points involved, and concludes that this is sufficient to establish that the rates complained of are unreasonable. In *Coke Producers Asso. of Connellsville v. B. & O. R. R. Co.*, 27 I. C. C., 125, 132, we said:

Comparisons of rates received per ton-mile, per car-mile, per train-mile, etc., are frequently illuminating and useful. The fact that the rates on a certain commodity yield revenue per ton-mile higher than the average upon all traffic can not be accepted as conclusive of the unreasonableness of such rates. If it were so accepted the result would be a continual reduction of rates that yield higher than the average revenue until all rates were on a common level.

We do not find that merely because the per-car-mile earnings on complainant's product when shipped to the points of destination involved are higher than the average of per-car-mile earnings on all traffic of the defendants' lines that the rates complained of are unreasonable.

Turning now to a consideration of the particular rates complained of, we will first take the rate to Emporium. The rate of \$1.10 per gross ton yields 6 mills per ton-mile for a two-line haul of 183 miles. Complainant compares this rate with the rate of 75 cents from Buffalo to the same point for a one-line haul of 123 miles. The yield per ton-mile of the 75-cent rate is 6.1 mills. The evidence shows that complainant's average loading is 45 tons per car, and the per-car earnings are therefore \$49.50. It is further shown that there is involved on shipments from Fruitland and Ontario a long empty-car haul. Complainant alleges that it is discriminated against by reason of the comparatively lower rate from Benson Mines to Emporium. The evidence shows that the concentrates shipped from Benson Mines are from magnetite ore, which can not be used in the furnaces at Emporium, and that no ore or concentrates have ever been shipped from Benson Mines to Emporium. We do not find on the facts in this record that the rate of \$1.10 in effect from Fruitland and Ontario to Emporium has been shown to be unreasonable or unjustly discriminatory.

The rate of \$1.60 from Fruitland and Ontario to Curtin, Milesburg, and Bellefonte yields, via the short line, in excess of 7 mills per ton-mile, and via the routes of movement about 6 mills. Comparison is made with the rate of \$1.15 for the one-line haul from Buffalo, an average distance of 217 miles. The average distance

from Fruitland to the points in question, via the short line, is about 223 miles. A per-ton-mile yield of more than 7 mills appears to be high, considering the low-grade traffic here involved. It is further to be observed that the differential at Emporium between the rates from Buffalo and from Fruitland and Ontario is 35 cents, and at Curtin, Milesburg, and Bellefonte, more distant points, the differential is increased to 45 cents. It is contended by the defendants that the traffic to the points here considered is comparatively light. The evidence shows that complainant has not been able to make sales of its products at these points in competition with Mesaba ore. The defendants further contend that Curtin, Milesburg, and Bellefonte are grouped with respect to rates from Fruitland and Ontario with points more distant, and that, as they are the nearer group points, rates applicable to them may properly be made on a higher basis than rates applicable to more distant points in the same group. We are not impressed with the force of this contention. It appears that the three points in question are not grouped with Harrisburg, Pa., nor with Earlston, Saxton, and Riddlesburg, more distant points, with respect to shipments from Buffalo. The fact that they are grouped with more distant points with respect to shipments from Fruitland and Ontario makes the adjustment of the rates favorable to Buffalo. The record shows that the rates to these points are higher than rates from and to points in the same general territory for similar distances. Considering all the facts of record, we are of opinion and find that the rate of \$1.60 per gross ton on iron ore in carloads from Fruitland and Ontario to Curtin, Milesburg, and Bellefonte is unreasonable to the extent that it exceeds \$1.40 per gross ton, and that any rate in excess of \$1.40 for the future will be unreasonable.

The rate of \$1.60 per gross ton on iron ore from Fruitland (formerly Lakeside) and Ontario to Earlston, Saxton, and Riddlesburg may next be considered. In *Ontario Iron Ore Co. v. N. Y. C. & H. R. R. Co.*, 21 I. C. C., 204, we found a rate of \$1.90 maintained by the defendants to be unreasonable to the extent it exceeded \$1.60. The complaint in that case related to rates from Lakeside, N. Y. (now Fruitland), to Earlston and Saxton. The rate found unreasonable by the Commission was applied by the defendants to Riddlesburg because it is located between Saxton and Earlston. Unless changed conditions are shown which justify or require a different conclusion, that case must control our disposition of this complaint. *Jouannet v. A. C. L. R. R. Co.*, 23 I. C. C., 392; *Traugott Schmidt & Sons v. M. C. R. R. Co.*, 23 I. C. C., 684. This record does not show that conditions have materially changed since the date of the decision referred to. Complainant relies in part upon the showing made in

the case formerly considered by the Commission. We do not find that we were in error in our former decision. In that case we said, page 206:

No attempt is made to establish any fixed relation between the rate from Buffalo to Earlston and that from Lakeside, but in establishing the Lakeside rate we have been influenced by the rate which these defendants have voluntarily made to these different Pennsylvania furnaces, including Earlston, and by the further fact that the ore at Lakeside can not move in competition with that from Mesaba, through Buffalo, upon a much higher rate than the one fixed so long as the present rate from Buffalo is in effect. Should this Buffalo rate be changed, either party may apply for a modification of our order establishing the \$1.60 rate.

In *Thropp v. P. R. R. Co.*, 23 I. C. C., 497, the Commission found that the rate of \$1.45 from Buffalo to Saxton was not unreasonable.

For reasons given in *Ontario Iron Ore case, supra*, and on this record, we are of opinion and find that the rate of \$1.60 on iron ore from Fruitland and Ontario to Saxton, Earlston, and Riddlesburg has not been shown to be unreasonable nor unjustly prejudicial.

The complaints with respect to the rates to Emporium, Earlston, Saxton, and Riddlesburg, Pa., contain prayers for reparation. As the Commission has not found the present rates to these points to be unreasonable, it follows that no reparation can be awarded. The complaint against the rate of \$1.60 per gross ton to Curtin, Milesburg, and Bellefonte, Pa., which rate the Commission found to be unreasonable to the extent it exceeds \$1.40, does not ask for reparation. No reparation is awarded.

An order will be issued in accordance with the above finding.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 6290.
OMAHA GRAIN EXCHANGE
v.
NORTHERN PACIFIC RAILWAY COMPANY ET AL.

No. 6290 (Sub-No. 1).
SAME
v.
CHICAGO, MILWAUKEE & ST. PAUL RAILWAY
COMPANY.

Submitted March 5, 1914. Decided June 9, 1914.

Upon prayer for the establishment of joint rates upon grain in carload lots from Montana points on the Northern Pacific Railway west of Billings over the Chicago, Burlington & Quincy Railroad, via Billings, to Omaha and South Omaha, Nebr., and Council Bluffs, Iowa; and upon prayer for the establishment from stations in Montana, North Dakota, and South Dakota on the Chicago, Milwaukee & St. Paul Railway of rates upon grain in carload lots to Omaha, South Omaha, and Council Bluffs, not greater than those contemporaneously charged for the transportation of grain by said carrier from the same points of origin to Duluth and Minneapolis; *Held*—

1. That defendants Northern Pacific Railway Company and Chicago, Burlington & Quincy Railroad Company should establish and maintain joint rates on grain, from Montana points on the line of the Northern Pacific Railway Company west of Billings, to Omaha, South Omaha, and Council Bluffs, not higher than the rates contemporaneously maintained from the same points of origin to Minneapolis, Minn., via the Northern Pacific Railway.
2. That the essential disparity in the distance traversed over the Chicago, Milwaukee & St. Paul Railway as between points of origin in Montana, North Dakota, and South Dakota, and Minneapolis on the one hand, and between said points of origin and Omaha on the other hand, warrants a difference in the rate that may be charged for the contrasted hauls; that the difference in the rates now charged of 5 cents is unjustly discriminatory and prejudicial; and that, except where at present equal rates apply, the defendant carrier should establish from said points of origin to Omaha, South Omaha, and Council Bluffs, a rate not to exceed by more than 2 cents per 100 pounds the rate contemporaneously charged from said points of origin to Minneapolis.

Edward P. Smith for complainant.

O. W. Dynes for Chicago, Milwaukee & St. Paul Railway Company.

Charles Donnelly for Northern Pacific Railway Company.

REPORT OF THE COMMISSION.

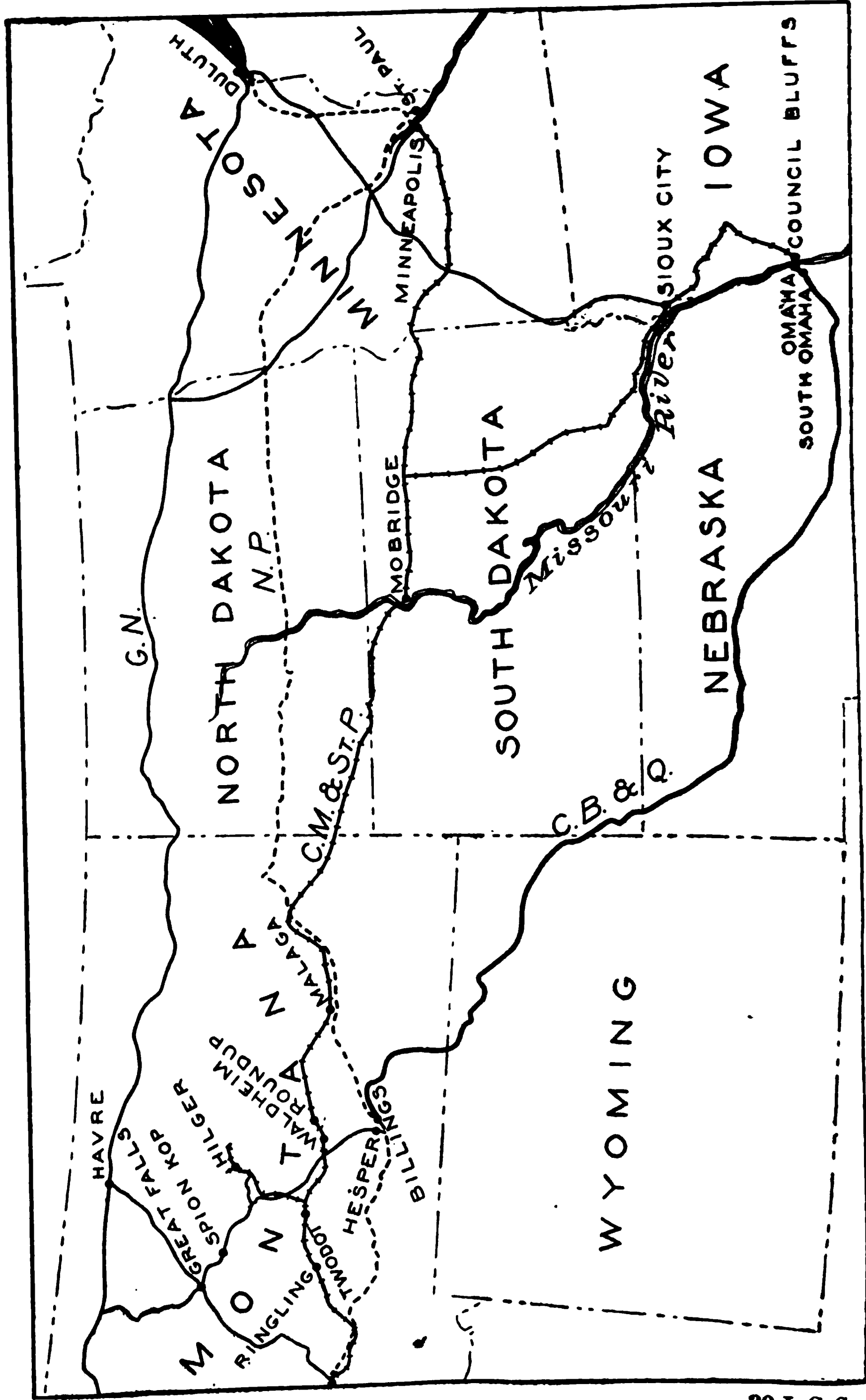
DANIELS, *Commissioner*:

Complainant is a corporation most of whose members are grain dealers and operators of terminal elevators at Omaha and South Omaha, Nebr., and Council Bluffs, Iowa.

The complainant shows that there is strong competition in the buying and selling of grain between Omaha on the one hand and Minneapolis and Duluth on the other; that the state of Montana is one of the important sources of grain supply; and that the rates quoted by the Northern Pacific Railway from Montana points west of Billings to Minneapolis and Duluth are uniformly 5 cents lower than the rates from the same points of origin to Omaha via the Northern Pacific and the Chicago, Burlington & Quincy Railroad, hereinafter referred to as the Burlington.

The Northern Pacific has a direct line from all the points of origin in question through Billings to Minneapolis and Duluth. The direct line from these sources of supply to Omaha is via the Northern Pacific to Billings, and thence via the Burlington to Omaha. The distances are substantially the same; from Billings to Minneapolis and Duluth over the Northern Pacific 882 miles and 898 miles, respectively, and from Billings to Omaha via the Burlington 892 miles. The distances being so nearly equal, complainant contends that a difference of 5 cents in the rates in favor of Minneapolis and Duluth is unjust and discriminatory, and that as a result the complainants are effectively shut out from the aforementioned Montana sources of supply. The case of *Omaha Grain Exchange v. C., B. & Q. R. R. Co.*, 26 I. C. C., 553, was similar to the case at bar. It also was based on alleged discrimination in favor of Minneapolis and Duluth as against Omaha. In the instant case the complainant challenges rates from points on the Northern Pacific west of Billings; in the other case complainant challenged rates from points on a branch of the Great Northern which extends in a southeasterly direction from Great Falls to Billings.

Complainant contends that the case just cited is so closely analogous to the instant case that the same relief which was granted there should be given here. This claim will warrant an examination of the matters there involved. In that case the complainant sought to establish through routes and joint rates from points on the Great Falls-Billings branch of the Great Northern via the Burlington to Omaha. The Great Northern maintained rates ranging from 30 to 32 cents from points on this branch through Great Falls and Havre, the point of connection with the main line of the Great Northern, to Minneapolis and Duluth. The Great Northern also maintained the same rates via its own line from the above points of origin to Sioux City.



The rates from all points on this branch to Omaha were higher than the rates to Minneapolis and Duluth, although from points south of Spion Kop the distances to Omaha were shorter than the distance to Minneapolis and Duluth. This was due to the fact that the rate from Billings to Omaha via the Burlington was 35 cents, and that to this there was added the local from the point of origin on the branch line to Billings. Complainant contended that this discrimination was unreasonable and asked for the establishment of a through rate via Billings and the Burlington not to exceed the rate to Minneapolis. The Commission held that defendants should be required to establish and maintain a through route, and joint rates on wheat applicable via said route, from points of origin on the Great Falls-Billings line from Spion Kop to Hesper, a point 16 miles northwest of Billings, and that the rates should not exceed those contemporaneously in effect to Minneapolis. The Great Northern contended that it should be permitted to carry wheat to Omaha via Sioux City, to which point its line extends, on the ground that it would thus obtain the advantage of the long haul. It appearing, however, that the distances from the points in question to Omaha via Sioux City were from 24 per cent to 57 per cent greater than the distance by the more direct route via the Burlington, the Commission was of the opinion that the former route was so "unreasonably long" as to preclude defendant from claiming the protection of that part of section 15 of the act which places a limitation on the Commission's power to establish through routes.

The case at bar is very similar to the one just mentioned. One difference, as indicated above, is that the points of origin here involved are located on the Northern Pacific west of Billings, while the points of origin in the former case were on the Great Falls-Billings branch of the Great Northern.

To complainant's contention that the Commission should grant the same relief in the case at bar as was given in the former case defendant replies that the present case differs from the earlier one in two particulars: (1) In that the distances to Omaha from the branch points in question were in nearly all cases less than the distances to Minneapolis, and (2) in that the originating line in that finding was not necessarily deprived of the long haul, since the report of the Commission gave to the Great Northern the right to apply for an amended order whereby they might move the grain via Sioux City if they so chose.

It is true, as was indicated above, that the distances in the earlier case from points south of Spion Kop were less to Omaha than to Minneapolis, whereas in the present case the distances on the North-

it need only be said that a carrier can not expect wholly to retain traffic from points into which it has first extended.

An order will be entered requiring the defendants to establish to Omaha from Montana points on the Northern Pacific west of Billings through rates not in excess of those contemporaneously in effect to Minneapolis.

The second portion of the complaint attacks rates from points in Montana, North Dakota, and South Dakota, on the line of the Chicago, Milwaukee & St. Paul, hereinafter called the Milwaukee, to Omaha and South Omaha and Council Bluffs. This part of the complaint, like the former part, attacks the rates from the points of origin to Omaha as unreasonable *per se* and as discriminatory. It is admitted that from most of the points named Minneapolis and Duluth enjoy an advantage of a rate 5 cents per 100 pounds lower than the rate to Omaha. There is one feature of this portion of the complaint, however, which distinguishes it from the complaint against the Northern Pacific and Burlington considered above. Although, as already indicated, the rates from most of the points in question on the Milwaukee to Omaha are 5 cents higher than the rates to Minneapolis and Duluth, there is one section in Montana extending from Roundup north to Hilger and west to Twodot, hereinafter referred to as the Judith Basin territory, where the rates from the originating points to Omaha are exactly the same as the rates from those points to Minneapolis and Duluth. The complainant is satisfied with the rates from the Judith Basin territory to Omaha; in fact, it asks that the rates from all sources of supply to Omaha via the Milwaukee be made on the same basis.

While from many of the points of origin Minneapolis and Duluth enjoy an advantage of 5 cents per 100 pounds over Omaha, this advantage is diminished as the Judith Basin territory is approached, beginning at Malaga, Mont., and the reduction of the spread continues until at Waldheim the rate to Minneapolis and Duluth is exactly the same as the rate to Omaha. West of Hilger the disparity in rates operating to the advantage of Minneapolis gradually reappears, being 1 cent per 100 pounds at Twodot, Mont., and 5 cents from Ringling, Mont., and points west.

The defendant claims that the relatively lower rates from the Judith Basin territory are due to the stress of cross-country competition in that territory, and this seems to be supported by the evidence of record. The Great Falls-Billings branch of the Great Northern threads this territory immediately adjacent to the Hilger branch of the Milwaukee; and the Milwaukee claims that in conceding lower rates for this section it is simply meeting the lower rates on the Great Northern established by this Commission in its order in the earlier

tion decreases. When distances of over 500 miles are involved, the fact that the service is by two lines is largely negligible. * * *

Our conclusion therefore is that no addition on account of the two-line haul should be made where the distance exceeds 500 miles.

This conclusion was cited with approval in *Sheridan Chamber of Commerce v. C., B. & Q. R. R. Co.*, 26 I. C. C., 638, 649, where we held as follows:

Each carrier participating in a two-line haul will find that operating expenses for its portion of that haul are less than they would be if only a one-line haul to the junction point were involved, and instead of either delivering the car or receiving it from a connecting carrier, it were necessary to deliver it to the consignee or receive it from the consignor. The one-line haul involves two distinct terminal services. Each carrier's share of a two-line haul involves but one distinct terminal service, plus a switching movement from one carrier to the other. The entire two-line haul involves two distinct terminal services, plus the switching movement from one line to the other. In large cities, where the terminal of one carrier is far removed from that of the other, switching from one to the other often involves much greater expenditures than in the present case. However, it involves less expenditure than the terminal service of delivering to consignee or receiving from consignor at that station. But where the physical connection between connecting carriers is as simple as in these small western towns, involving no expensive terminal service, the additional cost due to the switching movement is very small, so small, in fact, that it may not properly be made the basis of an additional charge for a two-line haul of substantial length.

The defendant contends, however, that Billings is not to be considered a "small western town," and that the physical connection between the Northern Pacific and the Burlington at that point can not be deemed simple or inexpensive. While the record seems to support the contention that the facilities for switching at Billings are somewhat extensive, it is not shown that the lines of the two carriers are so far removed from each other as to cause great inconvenience in switching from one to the other, nor is there any evidence of record showing that there is any unusual difficulty and expense attached to the switching of cars at Billings. Moreover, the haul from the grain-producing area along the line of the Northern Pacific via the Burlington to Omaha is considerably greater than most of the distances involved in the case last cited. Our finding herein is not to prejudice the defendant's right by subsequent application to apply for a reasonable switching charge per car in case it can be affirmatively demonstrated that the expense of the interchange is of sufficient magnitude to justify such an additional charge. The record before us does not warrant an allowance therefor.

The defendant also contends that to grant the relief asked may result in the diversion of traffic originating in a relatively unproductive territory from the line which first built into that territory, and in consequence is entitled to retain that traffic. In reply to this

it need only be said that a carrier can not expect wholly to retain traffic from points into which it has first extended.

An order will be entered requiring the defendants to establish to Omaha from Montana points on the Northern Pacific west of Billings through rates not in excess of those contemporaneously in effect to Minneapolis.

The second portion of the complaint attacks rates from points in Montana, North Dakota, and South Dakota, on the line of the Chicago, Milwaukee & St. Paul, hereinafter called the Milwaukee, to Omaha and South Omaha and Council Bluffs. This part of the complaint, like the former part, attacks the rates from the points of origin to Omaha as unreasonable *per se* and as discriminatory. It is admitted that from most of the points named Minneapolis and Duluth enjoy an advantage of a rate 5 cents per 100 pounds lower than the rate to Omaha. There is one feature of this portion of the complaint, however, which distinguishes it from the complaint against the Northern Pacific and Burlington considered above. Although, as already indicated, the rates from most of the points in question on the Milwaukee to Omaha are 5 cents higher than the rates to Minneapolis and Duluth, there is one section in Montana extending from Roundup north to Hilger and west to Twodot, hereinafter referred to as the Judith Basin territory, where the rates from the originating points to Omaha are exactly the same as the rates from those points to Minneapolis and Duluth. The complainant is satisfied with the rates from the Judith Basin territory to Omaha; in fact, it asks that the rates from all sources of supply to Omaha via the Milwaukee be made on the same basis.

While from many of the points of origin Minneapolis and Duluth enjoy an advantage of 5 cents per 100 pounds over Omaha, this advantage is diminished as the Judith Basin territory is approached, beginning at Malaga, Mont., and the reduction of the spread continues until at Waldheim the rate to Minneapolis and Duluth is exactly the same as the rate to Omaha. West of Hilger the disparity in rates operating to the advantage of Minneapolis gradually reappears, being 1 cent per 100 pounds at Twodot, Mont., and 5 cents from Ringling, Mont., and points west.

The defendant claims that the relatively lower rates from the Judith Basin territory are due to the stress of cross-country competition in that territory, and this seems to be supported by the evidence of record. The Great Falls-Billings branch of the Great Northern threads this territory immediately adjacent to the Hilger branch of the Milwaukee; and the Milwaukee claims that in conceding lower rates for this section it is simply meeting the lower rates on the Great Northern established by this Commission in its order in the earlier

case. In view of these facts it does not seem unreasonable that the rates from the Judith Basin territory to Minneapolis and Duluth should be lower than those contemporaneously in effect from points east and west of that territory.

The next question to be considered is whether the Milwaukee's rates to Minneapolis and Duluth are so much lower than those to Omaha as to be unduly discriminatory. A comparison of the relative distances from points of origin to these places will aid in the disposition of that question.

All grain originating at points on the Milwaukee west of Mobridge, S. Dak., which is the first station east of the Missouri River, passes through that point in going to the destinations in question. Mobridge is therefore a convenient point from which to measure the distances via the Milwaukee to the various destinations, which are here shown:

	Miles.
Mobridge to Minneapolis.....	386
Mobridge to Omaha.....	520
Mobridge to Duluth.....	547

It will be seen from an examination of the above table that the distance to Minneapolis is much less than the distance to either Omaha or Duluth, while the distances to Omaha and Duluth are practically the same. In spite of the fact that the haul to Duluth is 161 miles greater than to Minneapolis, the rates to both places are the same, giving both of them the same advantage over Omaha. The complainant maintains that the rate to Omaha, which is 27 miles nearer Mobridge, the common converging point, than to Duluth, should not exceed the rate to the latter point. To this the defendant replies that it meets competition at Duluth, which compels it to establish to that point the Minneapolis rate, and the record seems to support the defendant's explanation. The great grain-producing districts of Montana and North Dakota are traversed by the Great Northern, the Northern Pacific, and the Milwaukee. Both the Great Northern and the Northern Pacific have more or less direct routes to Duluth, while the Milwaukee in reaching that place must take a circuitous course via Minneapolis. Identity of rates to Minneapolis and Duluth is imposed by other carriers, and the Milwaukee is forced to meet this situation if it is to compete for the traffic. In view of this fact we are of the opinion that complainant has failed to prove that a lower rate via the Milwaukee to Duluth than to Omaha is unreasonable.

Referring again to the above table, it will be observed that the distance from Mobridge to Minneapolis is 134 miles less than the distance to Omaha, making the latter haul nearly 35 per cent greater than the former. This percentage, however, does not constitute a

fair basis for a rate comparison, for the center of the grain-producing section here under discussion is much farther from Minneapolis and Omaha than is Mobridge. Taking Roundup to represent fairly the average distance from the source of supply to these destinations, we find the distance from Roundup to Minneapolis is 846 miles and the distance from Roundup to Omaha is 980 miles, making the haul to Omaha 15 per cent longer than that to Minneapolis. This difference in mileage does not justify a difference of 5 cents in the rates. After considering all the circumstances of this case we are of the opinion and find that the aforescribed excess of 5 cents is unjustly discriminatory and that the rate to Omaha from the points of origin in question on the Milwaukee should not exceed by more than 2 cents the rate contemporaneously in effect from the same points to Minneapolis.

In both the complaint against the Northern Pacific and Burlington and that against the Milwaukee the complainant assailed the rates from the sources of supply as unreasonable *per se*. That point was not fairly presented, however, either at the hearing or in the briefs. As no evidence was introduced to sustain this contention, the complaint in so far as it assails the rate as unreasonable *per se* can not be disposed of in this report. An order will be entered in conformity with this opinion.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 364.
SWITCHING AT BALTIMORE, MD.

Submitted June 8, 1914. Decided June 13, 1914.

Proposed increases in rates for the transportation of carload freight from the connection between the Northern Central and Western Maryland railways in Baltimore, Md., to and from certain points on the "block route" in said city, found not to have been justified. Tariffs naming the increased rates required to be canceled.

Henry Wolf Biklé and Shirley Carter for respondents.
J. B. Daish for protestant.

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

The tariffs involved in this proceeding are supplement No. 15 to C. C.-I. C. C. No. 381, supplement No. 16 to C. C.-I. C. C. No. 381, and supplement No. 2 to G. O.-I. C. C. No. 4434, issued by the Pennsylvania Railroad Company; Northern Central Railway Company; Philadelphia, Baltimore & Washington Railroad Company; and West Jersey & Sea Shore Railroad Company. By these supplements the respondents propose to eliminate from the application of rates in the tariff to which they refer, stations No. 8016 and 8018 on what is known as the "block route" in the city of Baltimore, Md., and also to eliminate industries located on an extension of the route east of the corner of Thames and Bond streets on Thames street. On shipments delivered at stations 8016 and 8018 and to industries located on the Thames street extension a switching charge per car is made by the Northern Central Railway Company which is absorbed by the Western Maryland on traffic coming from points on its lines. On traffic shipped from the points in question to Western Maryland points a similar charge per car is made, which is also absorbed by the Western Maryland. The result is that shippers and receivers of freight at all points on the block route in the city of Baltimore have been accorded the flat Baltimore rates. By the elimination of the points referred to the result, so far as they are concerned, will be the application to them of the scale of class rates suggested by the Commission in *Merchants & Manufacturers Asso., of Baltimore, v. P. R. R. Co.*, 23 I. C. C., 474. It is asserted that the increase in the charges over the flat Baltimore rates on outbound traffic would in that case be from \$7.50 to \$21.50 per car,

and on inbound traffic from \$16.50 to \$26.50 per car, which charges it does not appear the Western Maryland can or will absorb. On protest of the Merchants & Manufacturers Association of Baltimore, the supplements were suspended by the Commission and now stand suspended until November 1, 1914.

The block route, so called, is owned by the Northern Central Railway Company and extends from East Madison and Buren streets in the city of Baltimore in an easterly direction via Monument street to Central avenue; thence south on Central avenue to Eastern avenue; thence south on Eden street to Aliceanna street (with tracks into City Block station); thence via Carolina street to Philpot and Thames street (with tracks into Jackson's Wharf station); thence east on Thames street. The entire route, exclusive of private sidings, is about two miles long. On the route there are numerous privately owned sidings. Because of sharp curves at street corners and into industries, cars are hauled over the route by horses. A single car requires, as a rule, eight horses to haul it along the streets and make deliveries to industries.

City Block station has a yard for delivery of carload freight with a capacity of 38 cars. Jackson's Wharf is a freight station for the delivery of inbound carload freight and for forwarding outbound freight in any quantity. It has yard space for 12 cars. It appears that these stations have been used for the delivery of freight from Western Maryland points for over 30 years and freight has been received at them for shipment to Western Maryland points for a like period. It is asserted by the protestants that 16 large industries will be affected by the increases in the charges at Jackson's Wharf, and 14 at City Block.

In the year 1875 a contract was entered into between the Northern Central Railway Company and the Western Maryland Railway Company wherein it was agreed that the former would transport promptly cars to and from the latter to and from any point reached by or through the block route track "at fair and equitable rates to be mutually agreed to from time to time." Since the date of the contract there has been no interruption of delivery and receipt of carload traffic for transportation to and from points on the block route. The switching charge imposed by the Northern Central has never exceeded \$3.50 per car. It is contended by the respondents that the contract properly construed does not provide for deliveries at City Block and Jackson's Wharf, and that the extension on Thames street was made after the contract was entered into. We have no concern with the terms of the contract. The question under the statute is, have the respondents justified the increases proposed in freight charges to shippers and receivers of freight at City Block

station (No. 8018) and Jackson's Wharf station (No. 8016), and the industries located on the extension of the block route on Thames street, east of Bond street?

To justify the proposed increased rates the respondents assert that since the making of the contract, and at a comparatively recent date, the Western Maryland has been extended to a connection with the Pittsburgh & Lake Erie Railroad, and that there has been established between these two carriers through routes and joint rates under which traffic from the west may reach Baltimore via a new through route, traffic over which could be hauled as readily via the Pennsylvania lines. It is to be observed that this justification for the proposed increased rates goes to a point which we do not conceive to be here presented for determination. The Northern Central, one of the constituent parts of the Pennsylvania lines, does not propose to close City Block station nor Jackson's Wharf station, nor the extension on Thames street, to traffic from competing points. The proposition is to continue the service, but at materially increased charges. The question, therefore, may not properly be determined on the right the respondents claim under the act to close their terminals on the block route to another carrier engaged in like business. The respondents do not propose by the supplements under suspension to close the terminals with respect to traffic to and from Western Maryland points. What they propose is to materially increase their charges for the service in the future. Under the law the burden to show that the proposed increased rates are just and reasonable is upon the respondents.

It is also asserted by the respondents that increase in traffic of the Northern Central over the block route has caused and is causing congestion at the stations referred to, and this fact, it is contended, is another justification for the proposed increases. The fact that City Block and Jackson's Wharf stations are congested is not a justification for the imposition on shippers and receivers of freight at those points of unreasonable charges.

The respondents rely in part upon the fact that in close proximity to Jackson's Wharf and City Block, the Western Maryland has a freight station known as Brown's Wharf and that former shippers and receivers of freight at the Northern Central stations may secure flat Baltimore rates by receiving their freight and making delivery at Brown's Wharf. We are not advised on this record whether the Baltimore industries may make the suggested change in the receipt and delivery of their freight without inconvenience and increased expense. In any event, as we see it, the matter is one entirely beside the issue we are to determine under the provisions of the law.

Have the respondents shown that the proposed increased rates are just and reasonable? The record is devoid of any evidence with respect to the reasonableness of the proposed increases. It is asserted by the respondents that by the supplements under suspension they propose nothing more than to make applicable to the situation the basis of rates suggested by the Commission in the *Merchants & Manufacturers Asso. case, supra*. The case referred to has been reopened for further consideration by the Commission. Evidence on rehearing has been taken, but the case has not been submitted for decision. Whatever may be the result of the rehearing we do not concede that a general finding with respect to switching rates in Baltimore is justification for proposed increased rates in a particular case, which increased rates the law requires the respondents to show are just and reasonable.

As above stated there is no evidence in this record with respect to the reasonableness of the proposed increased rates, nor is there evidence of any character upon which we may find what would be reasonable rates for the transportation of freight from and to points on the block route from and to a connection with the Western Maryland. Under such circumstances we are constrained to hold that the respondents have failed to justify the increases proposed. An order will be entered requiring the respondents to maintain no higher rates than those now in effect for receipt from and delivery to the Western Maryland Railway Company in the city of Baltimore of freight in carloads from and to the points involved on the block route.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 5853.
HANS REES' SONS
v.
SOUTHERN RAILWAY COMPANY.

INVESTIGATION AND SUSPENSION DOCKET No. 323.
TANBARK RATES TO NORTH CAROLINA POINTS.

Submitted May 7, 1914. Decided May 28, 1914.

1. The rate of 6 cents per 100 pounds on tanbark from Delrio, Tenn., to Asheville, N. C., not found to be unjustly discriminatory. Complaint dismissed.
2. The cancellation of the application of the North Carolina intrastate mileage scale of rates on tanbark from stations on the lines of the defendant in South Carolina to North Carolina tanning points and the placing of that commodity on the same rate basis as lumber and other forest products, found justified. Order of suspension vacated.

Louis H. Porter for complainant.

R. Walton Moore, Chas. J. Rixey, jr., Merrel P. Callaway, and Frank W. Gwathmey for defendant.

REPORT OF THE COMMISSION.

CLEMENTS, Commissioner:

The complainant in No. 5853, which is the only protestant in Investigation and Suspension Docket No. 323, is a corporation engaged in the tanning of leather and operates a tannery at Asheville, N. C. Its complaint alleges that the rate of 6 cents per 100 pounds on tanbark to Asheville from Delrio, Tenn., distant 54 miles, is unjust, unreasonable, and discriminatory, but in testimony and argument it is attempted to show only unjust discrimination, based on the existence of a lower scale of rates on that commodity to Asheville from points both in North Carolina and South Carolina than from Tennessee points. Subsequent to the filing of this complaint the defendant Southern Railway Company filed a tariff (supplement No. 1 to its I. C. C. No. A-5368) canceling the application, from points on its lines in South Carolina to the North Carolina tanning points, of the mileage scale on tanbark in effect in North Carolina, and placing that commodity on the same rate basis as lumber and other forest products, which, in the absence of special commodity rates, take

class-P rates. The operation of this tariff has been suspended until August 12, 1914. The two cases will be considered together.

The plant of the complainant was located at Asheville in 1898. The defendant states that upon representations to it as to the necessity for low rates on tanbark the present scale was established to that point from stations on its lines in North Carolina and also from stations in South Carolina as far as Spartanburg, 70 miles southeast of Asheville; and that, subsequently, in establishing these rates to other points in western North Carolina at which tanneries had been established, through error they were made to apply from all stations on its lines in South Carolina. Being of opinion that the North Carolina scale was not reasonably remunerative the defendant, in 1903 and 1904, attempted to raise the intrastate rates, but the authorities of that state refused the necessary permission. The defendant now contends that this scale is extremely low; that transportation from South Carolina to Asheville is over very steep grades, and that there has been practically no movement from that state. The defendant further contends that, considered with reference either to value, loading, or handling, tanbark should not be given lower rates than lumber and other forest products. The minimum on lumber is 30,000 pounds, and defendant states that it frequently loads heavier, while to load tanbark to the minimum of 24,000 pounds it is necessary to stack or, it might be said, nest it, and in addition it can not be unloaded as rapidly as other forest products. The record, however, does not afford a satisfactory basis for a conclusion as to whether or not the rates applicable on lumber would be reasonable and just in all cases for the transportation of tan bark from points on the lines of the defendant in South Carolina to the North Carolina tanneries referred to, should there be any movement.

Complainant produced no testimony bearing on the reasonableness *per se* of the rate of 6 cents from Delrio to Asheville. The rate in North Carolina for a distance of from 50 to 55 miles is 3½ cents; in Tennessee, 6 cents; and that proposed for a haul of similar length from South Carolina to North Carolina, 5½ cents.

The complainant's argument as to unjust discrimination is based on the decision of the Commission in *Railroad Commission of La. v. St. L. S. W. Ry. Co.*, 23 I. C. C., 31, in which it was held that section 3, forbidding unjust discrimination, applies as well when one of the hauls is intrastate as when both are interstate. The situation presented is not similar to the one considered in that case, for here the complainant enjoys the benefit of any discrimination that may exist in the adjustment complained of. Like its competitors in North Carolina, it secures transportation from points in that state at the low intrastate scale, and from Tennessee upon a scale practically the

same as its Tennessee competitors pay for intrastate transportation, while the Tennessee tanners, in order to secure tan bark from North Carolina, must pay upon a higher basis than complainant.

Upon consideration of the facts of record, we are of opinion that the complaint in No. 5853 should be dismissed and that the orders of suspension in Investigation and Suspension Docket No. 323 should be vacated. Orders will be entered in accordance with these conclusions.

Commissioner CLARK took no part in the decision of this case.

INVESTIGATION AND SUSPENSION DOCKET No. 362.
MALT RATES TO NEW ORLEANS, LA.

Submitted April 22, 1914. Decided June 9, 1914.

Proposed increased rate on malt in carload lots from Minneapolis, Minn., to New Orleans, La., found reasonable, and order of suspension vacated.

G. A. Schroeder for Chamber of Commerce of Milwaukee.

A. P. Humburg for Illinois Central Railroad Company.

W. F. Dickinson and *W. T. Hughes* for Chicago, Rock Island & Pacific Railway Company.

P. B. Warren for Chicago, Peoria & St. Louis Railway Company.

REPORT OF THE COMMISSION.

DANIELS, *Commissioner*:

The tariffs under suspension in this proceeding are W. H. Hosmer's, agent, supplement No. 6 to I. C. C. No. A-241, Chicago, Peoria & St. Louis Railway Company supplement No. 3 to I. C. C. No. 924, and Chicago, Rock Island & Pacific Railway supplement No. 6 to I. C. C. No. C-9526, effective January 1, 1914. By these tariffs it is proposed to increase from 25 cents to 30½ cents per 100 pounds the rate on malt in carloads from Minneapolis, Minn., and other points to New Orleans, La. The supplements carrying this increase were suspended at the instance of George A. Schroeder, manager of the freight bureau of the Chamber of Commerce of the city of Milwaukee. The essence of the protest is that the proposed rate will give maltsters of Chicago an undue advantage over their Milwaukee competitors.

At both Chicago and Milwaukee barley is transformed into malt. The maltsters in these competing cities receive their supplies of barley from Minnesota, Iowa, and other points, and the malt is forwarded
30 I. C. C.

class-P rates. The operation of this tariff has been suspended until August 12, 1914. The two cases will be considered together.

The plant of the complainant was located at Asheville in 1898. The defendant states that upon representations to it as to the necessity for low rates on tanbark the present scale was established to that point from stations on its lines in North Carolina and also from stations in South Carolina as far as Spartanburg, 70 miles southeast of Asheville; and that, subsequently, in establishing these rates to other points in western North Carolina at which tanneries had been established, through error they were made to apply from all stations on its lines in South Carolina. Being of opinion that the North Carolina scale was not reasonably remunerative the defendant, in 1903 and 1904, attempted to raise the intrastate rates, but the authorities of that state refused the necessary permission. The defendant now contends that this scale is extremely low; that transportation from South Carolina to Asheville is over very steep grades, and that there has been practically no movement from that state. The defendant further contends that, considered with reference either to value, loading, or handling, tanbark should not be given lower rates than lumber and other forest products. The minimum on lumber is 30,000 pounds, and defendant states that it frequently loads heavier, while to load tanbark to the minimum of 24,000 pounds it is necessary to stack or, it might be said, nest it, and in addition it can not be unloaded as rapidly as other forest products. The record, however, does not afford a satisfactory basis for a conclusion as to whether or not the rates applicable on lumber would be reasonable and just in all cases for the transportation of tan bark from points on the lines of the defendant in South Carolina to the North Carolina tanneries referred to, should there be any movement.

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Respondents also attempted to justify the proposed increase by showing that malt rates in the territory in question almost invariably conform to the class-D rates, and that the object of the proposed increase was to put the Chicago-New Orleans rate in line with the others in this respect, and the record seems to support this contention. The class-D rate from Peoria to New Orleans is 23 cents, which is the same rate proposed in the tariff under suspension.

Respondents further showed that this Commission, in *Texas Brewing Co. v. A. T. & S. F. Ry. Co.*, 21 I. C. C., 171, established the following rates for the transportation of malt in carloads to Fort Worth, Tex.: From Chicago, 34½ cents; from Milwaukee, 35½ cents; from Minneapolis, 38 cents. Inasmuch as the distance from Chicago to Fort Worth is only 1,058 miles, as compared with a distance of 1,259 miles from Minneapolis to New Orleans, it is submitted that a rate of 30.5 cents from Minneapolis to New Orleans, even allowing for the natural depression of rates to the latter point because of water competition, is not unreasonable.

Upon consideration of all the evidence in this case we are of opinion and so find that the respondents have shown that the proposed rate is not *per se* unreasonable.

Although the protestant in this case complains of the proposed increased rate as unreasonable *per se*, it developed at the hearing that protestant's real grievance is that the proposed rates will accentuate unjust discrimination, preference, and advantage which it is said already exist in favor of Chicago as against Milwaukee. The discrimination is said to be due to the fact that the "balance" which the Milwaukee maltster must now pay for the haul from Chicago to New Orleans on barley originating at Minneapolis is higher than balances out of through rates now paid by the Chicago maltsters on barley originating in Iowa and South Dakota; and it is alleged that under the proposed tariffs the balance paid by the Milwaukee maltsters will be materially higher than it is now, both absolutely and as compared with the balances paid by the Chicago maltsters on barley from the Iowa and South Dakota points. For example, the through rate on barley from Webster City, Iowa, to New Orleans is 32 cents. The local commodity rate from Webster City to Chicago is 13 cents, the "balance" for the Chicago-New Orleans haul being 19 cents. The Chicago maltster gets barley from Webster City, paying the local rate of 13 cents. He records his bill of lading with the carrier showing that he desires the transit privilege and a through shipment to New Orleans, and he is then allowed to take advantage of the through rate of 32 cents from Webster City to New Orleans. For the balance of the haul, Chicago to New Orleans, he pays 19 cents, this balance being determined by subtracting from the

to New Orleans and other destinations. The through rate of 30½ cents here suspended applies to shipments from Minneapolis to New Orleans, with transit privilege at Milwaukee or Chicago. There is a commodity rate of 7.5 cents from Minneapolis to Milwaukee, Peoria, and Chicago, to which, to determine the through rate, there is added another rate from Chicago to New Orleans. This added rate from Chicago to New Orleans is now 17.5 cents, making the through rate 25 cents. In the proposed tariff the added rate is 23 cents, making a through rate of 30.5 cents. It is this increase which the protestant asks the respondents to justify.

A comparison of distances seems to refute protestant's contention that the proposed rate from Minneapolis to New Orleans is unreasonable *per se*. This will appear from the following table:

From—	Miles.	Rate.
Minneapolis to—		
New Orleans.....	1,259	¹ 30.5
Dallas, Tex.....	1,014	38
Houston, Tex.....	1,331	40.5
Salt Lake City, Utah.....	1,408	60
Denver, Colo.....	940	35
St. Louis to—		
Jacksonville, Fla.....	949	28
Birmingham, Ala.....	475	27

¹ Proposed and under suspension.

Respondents also maintain that a study of the history of the rate in question proves that it is not unreasonable. Some of the changes in this rate since 1904 are shown below:

Rate per 100 pounds.	Minimum weight.	Date.
<i>Cents.</i>	<i>Pounds.</i>	
33.5	24,000	Apr. 16, 1904
30.5	30,000	Sept. 9, 1909
25	30,000	Apr. 20, 1911
¹ 30.5	40,000	Feb. 1, 1914

¹ Now under suspension.

It will be observed that for several years after 1904 there was in effect a rate higher than the one now under investigation. In 1911 a much lower rate was established, and the respondents claim that the rate then established was unreasonably low. Respondents explained this comparatively low rate in effect since 1911 by pointing out that in 1910 the Chicago, Peoria & St. Louis Railroad published an "unauthorized" rate of 17½ cents from Peoria to New Orleans, under the authority of the general concurrence of the Southern roads; and that, although the latter carriers objected to the establishment of the low rate, no definite action was taken at the time because of legal complications which arose as to the effect of the amendment of the fourth section of the act.

Respondents also attempted to justify the proposed increase by showing that malt rates in the territory in question almost invariably conform to the class-D rates, and that the object of the proposed increase was to put the Chicago-New Orleans rate in line with the others in this respect, and the record seems to support this contention. The class-D rate from Peoria to New Orleans is 23 cents, which is the same rate proposed in the tariff under suspension.

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through rate of 32 cents the local rate of 13 cents from Webster City to Chicago, whereas, as indicated above, Milwaukee's balance on a similar shipment from Chicago to New Orleans of malt from barley originating at Minneapolis is quoted in the proposed tariff at 23 cents. It is this discrimination which is the real basis of Milwaukee's protest. In fact, it clearly appears from the record that protestants are not so much interested in the maintenance of a low through rate as they are in paying balances from Chicago to New Orleans on through shipments from Minneapolis as low as Chicago's balances to New Orleans on shipments from various points of origin other than Minneapolis. The proposed rate of 23 cents from Chicago to New Orleans is not a local rate; it is merely the "balance" or "remainder" of the Minneapolis-New Orleans through rate which is left after deducting from the through rate of $30\frac{1}{2}$ cents the local commodity rate of $7\frac{1}{2}$ cents from Minneapolis to Chicago.

Protestant's real grievance, apparently, as indicated above, is that Chicago maltsters can purchase barley in Iowa and South Dakota and, after malting it at Chicago, forward it to New Orleans by paying a balance which is lower than the balance of 23 cents proposed in the tariff now under suspension. There is no evidence of record showing that the through rates from points in Iowa and South Dakota to New Orleans compare unfavorably with the through rate from Minneapolis to New Orleans. In fact, the record clearly shows that protestant objects rather to the balances than to the through rates. In other words, there is nothing in the record which clearly shows that the total cost to the Chicago maltster of getting the grain to his plant, malting it in transit, and forwarding it to New Orleans is less than the cost to the Milwaukee maltster.

This Commission has frequently held that a shipper whose through rate is reasonable and nondiscriminatory can not complain of the division thereof. Thus, in the *Interior Iowa Cities case*, 28 I. C. C., 64, 73, we said:

If the through charges are lawful in the sense that they are reasonable charges for the through service, a shipper can not predicate unlawfulness of one of the component parts of the through charges by alleging that it is excessive compensation to that carrier for that part of the through service. He pays for the completed service, and it is no concern of his how the through charges are divided among the carriers, whether by agreement or by published proportionals, so long as the through charges for the through carriage are reasonable.

It does not follow from this, as we indicated in our report in that case, that the component parts of a carrier's through rates are beyond the regulation and control of this Commission. It sometimes happens that a through rate is unreasonable because of the excessive character of a component proportional rate, and our authority to reduce the unreasonable through rate by reducing the excessive

proportional rate is beyond question. But, as already shown above, the through rate from Minneapolis to New Orleans has not been shown to be excessive; nor is there any evidence of record to show any element of discrimination in the through rates from the points of origin in Iowa and South Dakota to New Orleans as compared with the through rate from Minneapolis to the same destination. The proposed through rate being found reasonable, and there being no evidence of record to the effect that the through rates are discriminatory, the protestants can not successfully attack the variable balances from Chicago to New Orleans. An order will be entered vacating the suspension of these tariffs as of July 15, 1914.

There was introduced at the hearing evidence to the effect that the through rates from Iowa and South Dakota points to New Orleans were "paper rates," quoted merely for the purpose of giving to the Chicago maltster the advantage of the comparatively low balance from Chicago to New Orleans; that the Chicago maltsters bought their barley, not in South Dakota or Iowa, but on the Chicago Exchange, and that they could ship to New Orleans grain thus bought in Chicago by paying a remainder materially lower than the balance of 23 cents, which would be paid under the proposed tariff by the Milwaukee maltster on his Minneapolis barley. Just how this is done, if it is done at all, does not appear of record. The evidence clearly shows that the Chicago maltster, before being permitted to take advantage of the relatively low balance from Chicago to New Orleans must first produce a receipted freight bill showing payment of the local rate from the point of origin to Chicago. This evidence, which was not denied by the complainant, militates rather forcibly against the contention that the through rate is solely a paper rate, and that the balances from Chicago to New Orleans are alone to be considered in comparing the relative advantages and disadvantages of Chicago and Milwaukee in the shipment of malt. The record is exceedingly vague on this point. If it is true that the joint through rate is not paid by the Chicago maltster, while it must be paid by his competitor in Milwaukee, or if there is any other unlawful discrimination of which this Commission can take cognizance, the protestant should bring another action to show such discrimination. The order suggested above, vacating the suspension of these tariffs, will not prejudice complainant's right to bring such further action.

The point made by the protestant that it has made contracts for a year's time, running approximately until December 1 next, and that, therefore, the proposed rates should not in any event be allowed to go into effect until at or near the close of the contract year, can not be admitted as controlling. Where a rate is reduced it may often result that annual contracts predicated on the continuance of the

higher rate may bring unexpected gain to one party to the contract. These unexpected increments of loss or gain ought not to preclude the establishment at the earliest practicable date of rates that are just and reasonable.

There are vague suggestions in the record to the effect that the protestant has a further grievance in that the rates on barley, quoted from Iowa and South Dakota points to New Orleans, with a malting-in-transit privilege at Chicago, are lower than the rates from the same points to New Orleans, with a similar malting privilege at Milwaukee; in fact, there is some evidence of record tending to show that the privilege of malting in transit barley originating in South Dakota and Iowa is not accorded to the Milwaukee maltsters while granted to those in Chicago. The evidence on these points, however, is not at all satisfactory and can not be made the basis either of a definite finding or of an order in the premises. If such discrimination is alleged to exist, it should be brought out in another proceeding.

Commissioner CLARK took no part in the decision of this case.

80 I. C. C.

No. 6108.
VIRGINIA HIGHLANDS CITIZENS' ASSOCIATION
v.
WASHINGTON-VIRGINIA RAILWAY COMPANY.

Submitted May 9, 1914. Decided June 9, 1914.

1. Commutation fares charged by defendant for the transportation of passengers between its terminal at Twelfth and D streets northwest, Washington, D. C., and Addison and Virginia Highlands, in the state of Virginia, found to be unduly discriminatory as compared with its commutation fares between said terminal and other points on the Mount Vernon division of its lines.
2. The regular one-way and round-trip fares between said points not found to be unreasonable.

F. C. Simpson and *A. R. Serven* for complainant.
J. S. Barber for defendant.

REPORT OF THE COMMISSION.

HARLAN, *Chairman*:

The complainant is a voluntary association with a membership composed of residents and property owners at and in the vicinity of Virginia Highlands, in the state of Virginia. The defendant operates an electric railway system; among its various branches is a line extending from Twelfth and D streets northwest, in the city of Washington, across the Potomac River to Mount Vernon, in the state of Virginia. This is known as its Mount Vernon division, and it passes through Arlington Junction and Alexandria, on the Virginia side of the river. The defendant also has a line crossing the river from the same terminal and extending through Arlington Junction and Falls Church to Fairfax. This is known as its Falls Church division. When the complaint was filed the system was operated by the Washington Utilities Company, but later the entire property was taken over by the Washington-Virginia Railway Company, by which it is now operated. By agreement at the hearing, the latter company was substituted as the defendant in the proceeding.

The complainant assails as unreasonable and unduly discriminatory the one-way, round-trip, and commutation fares charged by the defendant for the transportation of passengers between its Washington terminal and Addison and Virginia Highlands stations on its Mount Vernon division in Virginia. These two points are near each other,

are of recent development, and constitute together a residential community composed chiefly of people who are in business or official employment in the city of Washington. The population of the community numbers from 350 to 400 persons, a considerable portion of whom use defendant's line daily in going to and returning from Washington.

In the adjustment of fares the defendant divided these lines into zones. The Mount Vernon division is composed of 6 fare zones, and the Falls Church division of 10 zones. The first zone, which extends from the Washington terminal at Twelfth and D streets to the south end of highway bridge, a distance of 2.10 miles, is common to both divisions. The fare each way is 5 cents cash, or 6 fares for 25 cents. Addison and Virginia Highlands are in the second zone. From the Washington terminal the distance is 2.40 miles to the nearest point in the zone and 5.61 miles to the farthest point. To Addison the distance is 3.37 miles and to Virginia Highlands 3.62 miles. The one-way fare is 10 cents and the round-trip fare 15 cents. A slightly lower fare is provided by means of a family commutation ticket good for 25 trips and for use within three months from the date of issue. This ticket is sold for \$1.80, the equivalent of 7.2 cents for a one-way trip.

Complainant's chief contention is that the commutation fare to Addison and Virginia Highlands is unreasonable and unduly discriminatory when compared with the one-way and round-trip fares to the same points and with the commutation fares to other points on the Mount Vernon division. Alexandria and New Alexandria are referred to as illustrative of the general situation. Under the round-trip fare to Addison and Virginia Highlands the cost of a one-way trip is 7.5 cents, while under a family commutation ticket the cost of a one-way trip is 7.2 cents. The arrangement gives to the commuter an advantage over the occasional traveler of only three-tenths of a cent per trip. Complainant insists that this advantage is so slight as to be negligible.

With respect to Alexandria and New Alexandria the same kind of commutation tickets are sold for \$2.50 and \$3 per ticket, respectively. To these stations the one-way fare is 15 cents and the round-trip fare 25 cents. While the round-trip fare is equivalent to 12.5 cents for one-way transportation as to either point, the one-way fare under a family ticket is 10 cents to Alexandria and 12 cents to New Alexandria. The distances are 7.91 miles and 9.72 miles, respectively. Lower commutation fares are in effect as to these points, however, by means of what are called 52-trip monthly tickets, which are sold for \$4.05 each, the equivalent of slightly less than 8 cents for a one-way fare. Monthly tickets of 52 trips each

are also in effect between Washington and many other points on the Mount Vernon division at prices varying substantially as the distances vary, but no such tickets are sold for travel between Washington and Addison and Virginia Highlands. It is this situation that gives rise to the allegation of undue discrimination against the latter two points. Under the 52-trip monthly ticket there is an advantage to the commuter at Alexandria or New Alexandria over the occasional traveler who uses the regular round-trip ticket of a fraction over 4.5 cents for a one-way trip, whereas a commuter at Addison or Virginia Highlands, who is allowed commutation fares only on the basis of a 25-trip family ticket, obtains but the slight advantage of three-tenths of a cent for a one-way trip. The commutation differentials under the round-trip fares as to most of the other stations on the Mount Vernon division appear to be more clearly on the same relative basis as the differentials applied to Alexandria and New Alexandria. There are no points on this division, to which our attention has been called, where the round-trip and commutation fares are so nearly equal as at Addison and Virginia Highlands. At all other points the defendant offers to the commuter a material advantage over the occasional traveler. This is true of Del Ray and other stations in the near vicinity of Addison and Virginia Highlands.

The distances to Addison and Virginia Highlands are less than one-half the distances to Alexandria and New Alexandria, and under the existing adjustment of commutation fares the cost of one-way transportation is but a fraction of a cent less for the lesser than for the greater distances. There is evidence of record which tends to show that the growth of Addison and Virginia Highlands has been retarded by reason of the fares between Washington and those points.

The record also shows that defendant applies from Alexandria to Virginia Highlands and Addison, an average distance of approximately 4.5 miles, commutation fares which are considerably lower than the commutation fares between Washington and said points, an average distance of about 3.9 miles.

There is no convincing evidence that the regular one-way and round-trip fares are unreasonable. In this connection it should be observed that the reasonableness of the fares charged by defendant between Washington and points on its lines in Virginia has been several times considered by this Commission. In *Beall v. W. A. & M. V. Ry. Co.*, 20 I. C. C., 406, we reduced the one-way fare from Washington to several points on the Mount Vernon division, just beyond Addison and Virginia Highlands, from 15 cents to 10 cents. In *Bitzer v. W.-V. Ry. Co.*, 24 I. C. C., 255, there was a general attack upon the one-way and round-trip fares to points on both divisions. In that

case we required reductions as to certain points on each division, and in effect approved the one-way and round-trip fares as to all other points. In *Suburban Fares on Washington-Virginia Ry. Co.*, 26 I. C. C., 398, we approved increases in the fares to certain points on the line extending from Rosslyn to Green Valley, in the state of Virginia. In *Citizens of Falls Church v. W.-V. Ry. Co.*, Unreported Opinion No. A-616, the fares between Washington and points within the corporate limits of Falls Church, in the same state, were assailed as unreasonable and unjustly discriminatory, but we found against the complainants and refused to disturb the fares. From the decisions in these cases it appears that the regular one-way and round-trip fares have been heretofore carefully scrutinized by this Commission, and, except as to a few points, have been generally approved as now in effect. It is pointed out by defendant that it is required to pay a bridge toll of 5 mills for every passenger carried across the highway bridge.

Defendant's line intersects the Le Droit Park line of the Washington Railway & Electric Company at Fourteenth and B streets southwest, in the city of Washington. In this connection complainant refers to certain congressional legislation relating to electric street railways in the District of Columbia, and insists that defendant is obliged by such legislation to enter into reciprocal transfer arrangements with the Washington Railway & Electric Company at said point of intersection. We do not understand it to be contended, however, that this Commission is clothed with jurisdiction or power to determine this matter; and even if such obligation exists it must necessarily rest equally upon the several companies that own and operate the intersecting lines, and could be enforced only in a proper proceeding to which all such companies were parties.

Upon the facts of record we are of opinion and find that defendant's commutation fares between its Washington terminal and Addison and Virginia Highlands, when compared with its commutation fares to other points on the Mount Vernon division, result in undue discrimination against Addison and Virginia Highlands in favor of such other points, which discrimination the defendant will be required to remove.

We hold that so long as defendant provides 52-trip monthly tickets for travel between Washington and Alexandria, New Alexandria, and other points on its Mount Vernon division, it should also provide a 52-trip monthly ticket for travel between Washington and Addison and Virginia Highlands, and that such new ticket should be sold at a price that will furnish transportation on relatively the same basis as is now furnished under the same kind of tickets between Washington and other points on the Mount Vernon

division. We think this may be accomplished by fixing the price of the 52-trip monthly ticket at not exceeding \$3. We do not find that the one-way and round-trip fares complained of are unreasonable.

What are known as 46-trip monthly season tickets are also sold by defendant for passenger transportation between Washington and certain points on its lines in Virginia, but we do not understand that complainant raises any question as to the application of those fares to Addison and Virginia Highlands.

An order will be entered in accordance with the conclusions herein stated.

Commissioner CLARK took no part in the decision of this case.

No. 4800.

SLOSS-SHEFFIELD STEEL & IRON COMPANY ET AL.

v.

LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL.

Submitted February 8, 1913. Decided June 1, 1914.

Operators of blast furnaces in Alabama and Tennessee complain that the existing rates on pig iron from the south to Ohio River crossings, to points north and east thereto all rail, and to New England, all rail and rail and water, are unreasonable and unjustly discriminatory. The rates from Chattanooga, Tenn., are made certain differentials under Birmingham and as these differentials have not been questioned, the entire southern situation dealt with by considering only Birmingham, which district is representative of the Alabama operations. Louisville is representative of Ohio River crossings, as Chicago and Boston are illustrative of central freight association territory and the east respectively. On the facts of record, *Held*, That—

1. The rates now exacted from the Birmingham district to Louisville, St. Louis, Chicago, and to Boston, rail and water, are unreasonable. Reasonable rates prescribed.
2. The present differentials between the southern furnaces should be maintained, as should also the relation of rates now obtaining to the Ohio River, to points in central freight association territory, and to the east. No change will be ordered in the proportional rates to the Ohio River at this time for the reason that this would throw the entire reduction upon the southern lines. The proportional rates to and from the Ohio River should be so revised as to make the through rate to Chicago, for example, not in excess of \$4 per gross ton.
3. The existing rail-water-and-rail rates from Birmingham to interior New England points are unreasonable. Reasonable rates to Springfield, Mass., Portland, Me., and Lowell, Mass., prescribed with like reductions in the rates to other interior New England points.

4. Sufficient testimony has not been presented upon which a definite finding with respect to the all-rail rates to New England can be made. As to the reasonableness of the present differentials between all rail and rail and water no opinion is expressed, but nothing herein said must be taken as a justification for any increase in such differentials. With this understanding, the readjustment of their all-rail rates to New England points is left to the carriers.
5. Award of reparation should be denied.

William A. Wimbish for complainants.

R. Walton Moore and *M. P. Callaway* for southern railroads and steamship lines.

William A. Northcutt for Louisville & Nashville Railroad Company.

A. P. Burgwin and *E. S. Ballard* for lines in central freight association territory.

William Ainsworth Parker for Baltimore & Ohio Railroad Company.

George Stuart Patterson for Philadelphia, Baltimore & Washington Railroad Company and Pennsylvania Railroad Company.

F. C. Baird for Bessemer & Lake Erie Railroad Company.

Fred H. Wood and *Thomas P. Littlepage* for St. Louis & San Francisco Railroad Company.

E. G. Buckland and *S. S. Perry* for New York, New Haven & Hartford Railroad Company and Boston & Maine Railroad.

Jean Paul Muller for New England foundries.

Frank Lyon for Iroquois Iron Company and others.

P. M. Hanson for National Enameling & Stamping Company.

H. B. Arnold for Martin Iron & Steel Company and others.

William A. Glasgow, jr., for eastern Pennsylvania furnaces.

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

Certain operators of blast furnaces in Alabama and Tennessee complain that the existing rates on pig iron from the south to Ohio River crossings and to points north and east thereof, all rail, and to New England, all rail and rail and water, are unreasonable and unjustly discriminatory. The averment of unjust discrimination may be said to be predicated primarily upon a comparison of the southern pig iron rates with the rates on other commodities and on pig iron in other sections.

Foundries and other users of southern pig iron, located in the north, east, and west, intervened in behalf of complainants, while furnace operators in Ohio, Illinois, Wisconsin, Pennsylvania, and Minnesota intervened to procure a continuance of the present rates.

It has been conceded that the Birmingham district is representative of the Alabama operations. The rates from Chattanooga, Tenn., are made certain differentials under Birmingham and as these differentials have not been questioned, the entire southern situation may be dealt with by considering only Birmingham. Louisville may be

taken as representative of the Ohio River crossings, Chicago as illustrative of central freight association territory, and Boston and Providence as typical of the east.

To the Ohio River both local and proportional rates are published, which, together with the rates and distances from Birmingham, are as follows:

To—	Miles.	Local.	Proportional.
Cincinnati.....	481	\$3. 25	\$2. 90
Louisville.....	394	3. 00	2. 65
Evansville.....	364	3. 25	2. 75
Cairo.....	333	3. 25	2. 75
St. Louis.....	486	3. 75	.....
Chicago.....	651	4. 35	.....
Detroit.....	747	4. 50	.....

To—	All rail.		Rail and water. ¹	
	Miles.	Rate.	Miles.	Rate.
Boston.....	1, 242	\$6. 40	726	\$4. 60
Providence.....	1, 215	6. 40	726	4. 60
New York.....	1, 027	6. 15	676	4. 25

¹ Distances by water calculated on constructive mileage.

The rates to all of these destinations are and have been so related that fluctuations have been uniform and the extent of the changes in the pig-iron rates from Birmingham to all points are typified by the variations to Louisville.

The production of pig iron in the south had its inception in the early seventies, but attained no appreciable proportions until several years later. In 1880 Alabama's production was 68,920 tons. With Tennessee the output was 132,200 tons, while the total production in the United States for that year was 3,833,203 tons. In 1911, out of a total production in the United States of 23,649,547 tons, Alabama contributed 1,712,211 tons, and Alabama and Tennessee together 2,036,859 tons. What the rates were prior to that time we are not advised, but about 1881, after a conference between the railroads and the furnace operators, a schedule of rates based upon the market price of pig iron was agreed upon and adopted. Under this schedule a rate of \$2.50 from Chattanooga to Louisville was established, based upon a price of \$15 per ton on No. 1 mill iron at Chattanooga. This made the Birmingham to Louisville rate \$3.05. According to the agreement, the rates were to be advanced 15 cents per ton with each increase of \$1 in the selling price of pig iron until such price reached \$20; 10 cents per ton was to be added to the rate for each \$1 increase above \$20 in the selling price of pig iron. With the expiration of this agreement in 1886 no formal

undertaking was entered into, but the railroads, adhering, in substance, to the old agreement, published a rate of \$2.50 from Birmingham to Louisville, based upon No. 1 mill iron worth \$11.25 per ton or under. It was proposed to increase this rate by an amount equal to 25 per cent of any increase in the price of iron. This arrangement continued until 1894, during all of which time the rates were supposed automatically to adjust themselves to the market price of iron. But in that year the automatic-change feature was abandoned and specific rates were published, Louisville being given a rate of \$2 per ton from Birmingham, with a proportional rate of \$1.85. At that time No. 1 mill iron was worth about \$7 per ton. The rates thereafter published likewise were made with relation to the selling price of pig iron and were revised at intervals to follow, as nearly as practicable, the market fluctuations. From Birmingham to Louisville the rates since 1894, together with the price of iron at Birmingham on the dates indicated, have been:

Date.	Rate.	Price.	Date.	Rate.	Price.
April 2, 1894.....	\$2.00	\$7.00	Oct. 1, 1900.....	\$2.50	\$11.00
Sept. 16, 1895.....	2.50	11.00	Sept. 15, 1902.....	3.00	22.00
May 1, 1897.....	2.00	7.00	Oct. 10, 1903.....	2.50	9.75
Feb. 6, 1899.....	2.50	10.00	Mar. 1, 1906.....	2.75	14.25
June 21, 1899.....	3.00	14.00	Apr. 1, 1907.....	3.00	22.50

Since April, 1907, the rate has been fixed at \$3 per ton regardless of the price at which pig iron might be selling, despite the fact that it was made effective at a time when pig iron had reached a record price, though before the close of that year Birmingham pig iron had declined to \$14 per ton and up to January of this year had not gone beyond about \$14.50. The high and low prices during the last four years have been:

Year.	High.	Low.	Year.	High.	Low.
1910.....	\$14.00	\$11.00	1912.....	\$14.00	\$10.00
1911.....	11.00	10.00	1913.....	13.75	10.50

Complainants do not contend for rates that will vary with the pig-iron market, but insist that if the predication of freight rates upon the value of pig iron be discontinued, the rate in effect when iron was at its highest should not be taken as a reasonable charge for pig iron under all conditions. In this argument there is much force, for while we by no means advocate the making of freight rates with relation to the selling price of the commodity, at the same time when the carriers by their own action have established such a practice it is but fair to assume that the rates charged during periods of unusual prosperity

were sufficiently above the normal to make up any decrease in profits sustained during leaner years. It should be noted that after 1894 the \$3 rate was first published in June, 1899, when pig iron advanced to \$14 and continued on the increase until it had reached \$18 in the fall of that year. With the decline in the price of pig iron in 1900 the rate was reduced and did not again reach \$3 until iron had advanced to \$22. The defendants insist that reductions were made only during times of serious trade depression and only then in an endeavor to foster the iron industry. As trade conditions are faithfully reflected in market prices this contention is undoubtedly correct, but we think it significant that even during periods of extreme prosperity the rate never exceeded \$3.

As tending to show the circumscription of their markets by reason of existing rates, complainants offered much testimony bearing upon the production and shipment of pig iron. It is true that there has been a decrease in the percentage contributed by the southern furnaces to the entire pig-iron production in the United States, but there has been a steady increase in the actual tons produced in the south, and, while the percentage relation of this output to the total production in the United States has decreased in recent years, such decrease is due primarily to the fact that new ore fields have been opened up and new furnaces established, principally in the middle west, thereby materially increasing the total production. It is also true that there has been a falling off in the shipments of southern iron to northern, eastern, and western destinations, but there has been an increase both in the shipments of southern iron to southern points and in the consumption of pig iron at southern plants, which required no transportation service. Nature has unusually favored Birmingham by placing at its doors all the raw materials necessary to the manufacture of pig iron. In attempting to market its products in the west and east, however, it must transport its iron considerable distances. Furnaces in the middle west bring in their raw materials from points considerably removed and manufacture their iron almost at the points of consumption. Figures varying from \$2.50 to \$4 per ton have been offered as representative of the lower cost of producing pig iron in the south. We are not prepared to say what the exact difference in the producing cost is, nor do we think it vital here, for the reason that the southern operator is entitled to every advantage growing out of his economic location, just as the northern operator is entitled to any benefit that may accrue to him by reason of his proximity to the markets, and these advantages should not be disturbed by this Commission by fixing freight rates predicated upon the cost of production.

Much testimony was offered by complainants with respect to the cost of transporting pig iron, and while considerable criticism was directed by defendants at complainants' figures, no testimony of a similar character was presented by them. We appreciate the difficulty of even fairly approximating the cost of transporting a unit of freight and realize that any method employed must necessarily be somewhat arbitrary. Many of the criticisms offered by defendants are undoubtedly merited, but we do not think it essential to the disposition of this case to further discuss the question of costs.

To the Ohio River and to some 60 representative points in central freight association territory the average distance, average rate per net ton, and average rate per net ton per mile from the Birmingham district, as compared with pig-iron producing districts located in other sections, are:

	Distance.	Average rate per ton.	Average rate per ton-mile.
	<i>Miles.</i>		<i>Mills.</i>
Birmingham, Ala.....	606	\$3.70	6.1
Hanging Rock (Portsmouth, Ohio).....	293	1.69	5.77
Wheeling, W. Va.....	353	2.17	6.15
Pittsburgh, Pa.....	388	2.17	5.59
Mahoning (Youngstown, Ohio).....	352	1.86	5.26

While the distance from Birmingham is almost double that from the other districts, Birmingham's rate per net ton per mile is in excess of that paid by other shippers, except from Wheeling, where it is practically the same. For a 651-mile haul to Chicago, Birmingham pays a rate of \$3.88 per net ton, amounting to 5.96 mills per net ton per mile or 18.023 cents per car mile, while the rate per net ton from the Pittsburgh district for a haul of 468 miles to Chicago is \$2.46, yielding 5.26 mills per net ton per mile or 15.9 cents per car-mile; that is, the per-car-mile earnings from Birmingham are 2.123 cents in excess of those from Pittsburgh, although the haul from Birmingham is about one-third longer. Applied to the distance of 651 miles, this difference in the per-car charge amounts to \$13.82.

The \$3 per gross ton rate to Louisville, or \$2.68 per net ton, for a distance of 394 miles yields 6.8 mills per net ton per mile, or 20.66 cents per car-mile. For almost the identical distance, 392 miles, from the Hanging Rock district (Portsmouth, Ohio) to Chicago the rate of \$2.11 yields 5.38 mills per net ton per mile, or 16.27 cents per car-mile, making a difference of about \$15.76 per car against Birmingham as compared with Hanging Rock.

The character of this commodity is such that while it is loaded mostly in box cars, their condition is a matter of no great concern, and cars that would be rejected for other traffic frequently are

employed in this service. Loss and damage is an unknown quantity in the transportation of pig iron, the commodity being practically indestructible and, with any kind of intelligent handling, not susceptible to loss even when transported via rail and water, with the usual transfer at the dock incident thereto.

All that we have said herein with respect to the rates to the Ohio River and to central freight association territory applies with equal force to the rates to the east. To Boston the short-line rail-and-water route is via Savannah and the distance from Birmingham, computed water mileages being used, is 726 miles, for which haul, at a rate of \$4.60 per gross ton or \$4.11 per net ton, the charge per net ton per mile is 5.66 mills. It is true the carriers operating through the port of Norfolk receive less revenue per ton per mile because of the greater distance via that port, and while the Central of Georgia Railroad, a carrier in the route via Savannah, is not a party to this proceeding, we do not think the distance via that port should be ignored. The roads leading up to Norfolk laid much stress on what they considered their low per-ton-mile rates on this traffic, but as this resulted from the use of a route necessitating a rail haul of about 800 miles and as the revenue accruing to these carriers depends upon the division of their joint rate with the boat lines, we are not persuaded by the arguments advanced.

A careful review of the entire situation convinces us that the rates now exacted are unreasonable and that reasonable rates from the Birmingham district should not exceed the following per gross ton: To Louisville, \$2.65; to St. Louis, \$3.40; to Chicago, \$4; to Boston, rail-and-water, \$4.25.

The present differentials between the southern furnaces should be maintained, as should also the relation of rates now obtaining to the Ohio River, to points in central freight association territory, and to the east. No change will be ordered in the proportional rates to the Ohio River at this time for the reason that this would throw the entire reduction upon the southern lines. The proportional rates to and from the Ohio River should be revised so as to make the through rate to Chicago, for example, not in excess of \$4 per gross ton.

To the interior New England points, however, we experienced more difficulty. These rates are made the full combination of the rates to and from the New England ports, plus handling charges, which to Springfield, Mass., for example, aggregates \$6 per ton gross, to Lowell, Mass., \$5.85, and to Portland, Me., \$6. At Boston there is a transfer and handling charge of 40 cents per ton from the boat to the car, while at Providence this charge appears to be but 10 cents per ton because of different terminal conditions. It is admitted by the New York, New Haven & Hartford Railroad and the Boston & Maine

Railroad that the rates now exacted are too high and that some reduction should be made. They insist, however, that this reduction should be prorated between the carriers on basis of the proportions of the existing rates now received by the lines to and from the ports. As applied to through traffic, however, the rates from the New England ports appear too high. To Springfield, Mass., 99 miles from Boston, the local rate is \$1; to Lowell, 26 miles, 85 cents; and to Portland, 115 miles, \$1. Our opinion is that the existing rates from Birmingham to the interior New England points mentioned are unreasonable and that reasonable rates should not exceed \$5.25 to Springfield and Portland, and \$5 to Lowell, with like reductions in the rates to other interior New England points.

Although attacking the all-rail rates to New England in their petition, complainants manifested little interest in those charges and have not presented sufficient testimony upon which a definite finding with respect thereto can be made. As to the reasonableness of the present differentials between all rail and rail and water we express no opinion, but nothing herein said must be taken as a justification for any increase in such differentials. With this understanding, we will leave to the carriers the readjustment of their all-rail rates to New England points.

Complainants have asked us to group all of the New England points at the port rates, but this we do not think fair. We have not sufficient data before us specifically to prescribe the individual rates to all of the New England points, but will expect the carriers to accomplish a readjustment in line with the views herein expressed.

Reparation is prayed for, but under the circumstances of this case we do not believe that it may fairly be awarded.

An order in accordance with these findings will be issued.

Commissioner CLARK took no part in the decision of this case.

80 I. C. C.

No. 6216.
PAGE MILLING COMPANY ET AL.
v.
NORFOLK & WESTERN RAILWAY COMPANY.

Submitted April 3, 1914. Decided June 8, 1914.

Complainants assail as unreasonable and unjustly discriminatory defendant's rates on flour and grain products from milling points on its Shenandoah division in Virginia and West Virginia to points on its Pocahontas division and Clinch Valley extension in Virginia and West Virginia; *Held*, That the Commission is not convinced on the facts of record that the rates complained of are unjustly discriminatory or otherwise in violation of law. Complaint dismissed.

Claude W. Owen, John A. Henderson, and John B. Daish for complainants.

R. Walton Moore and M. Carter Hall for defendant.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

Complainants herein assail as unreasonable and unjustly discriminatory the rates charged for the transportation of flour and grain products in carloads from milling points on the Shenandoah division of the Norfolk & Western Railway in Virginia and West Virginia to points on the Pocahontas division and Clinch Valley extension in Virginia and West Virginia. The shipping points include stations from Charlestown, W. Va., on the north to Buena Vista, Va., on the south, and the destination territory is embraced in what is commonly known as the "Norfolk & Western coal fields," the boundaries of which are Bluefield, W. Va., on the east, Norton, Va., on the west, and Williamson, Va., on the northwest. The traffic all moves interstate via Roanoke to and through Bluefield.

Prior to 1907 the points of origin were divided into three groups from which commodity rates of 12, 11, and 10 cents per 100 pounds, respectively, were applied to all of the destination territory under consideration. In 1907 a distance commodity scale was substituted under which a 12-cent rate applied for substantially all of the distances from Shenandoah division stations to the territory of destination. This scale remained in effect until March 1, 1909, when the present distance scale was put in force. Under the existing scale rates from the complainants' mills to the coal fields range from 12½ cents to

15½ cents per 100 pounds and these are the rates attacked, the prayer being for the restoration of the rates in force prior to 1907 and for an award of reparation.

Of the 14 complaining millers, but three have heretofore made any shipments to the coal fields, the interests of the others, as testified, resting primarily in their desire to secure rates which will enable them to do business in the coal fields. The three mills from which shipments have actually moved are located at Luray, Lewis, and Stuarts Draft, Va., from which prior to 1907 the rates to the coal fields were 11, 11, and 10 cents, respectively. At present the rates from Luray range from 13½ cents to 15 cents, and those from Lewis from 13 cents to 14½ cents, while the rates from Stuarts Draft are 13 cents to 14 cents, distances controlling. On behalf of these mills it was testified that an important business was built up on the old rates and that, due to lower rates since established from western mills and the increases in the rates from Shenandoah division points, this business has steadily decreased. The contention is that the rates from these mills should at least measure no higher per ton-mile than rates from the western mills. Witnesses for the other 11 mills, while stating that they can manufacture and sell as cheaply as their competitors, were uninformed as to the existing rates and could testify in general terms only as to their inability to compete or "get in line."

In a statement introduced by complainants treating Elkton, Va., as a representative shipping point, and Bluefield as a typical destination point, it is represented that since 1902 the rate between these points has been increased from 11 to 13½ cents per 100 pounds, the increase in the per ton-mile revenue for the distance of 232 miles being from 9.5 mills to 11.6 mills or a percentage increase of 22½ per cent. Comparison is made with rates from Washington, Cincinnati, and Columbus, Ohio, to Bluefield, and it is alleged that within substantially the same period there have been percentage decreases in these rates of 21 per cent, 41 per cent, and 38 per cent, respectively. Elkton, it is said, was selected because of its location about halfway between the northern and southern limits of the milling territory, but no shipments have moved from this point to the coal fields, and, as Bluefield is the most easterly of the destination points involved, this statement, which constitutes the only rate data submitted by complainants, is not fairly illustrative of the situation, hence is of but little value.

The strongest competition encountered by complainants' mills is that of mills in the west, those specifically mentioned being at Washington, Columbus, Cincinnati, and Ironton, Ohio. From Washington, also known as Washington Court House, the rate to Norfolk & Western stations east of Kenova, W. Va., to and including Bluefield,

was formerly 19 cents. This rate was under attack in *Washington Milling Co. v. N. & W. Ry. Co.*, 27 I. C. C., 546, and following our findings therein was, on September 18, 1913, reduced to 15 cents. On May 15, 1912, as the result of the Commission's decision in *Bluefield Shippers' Asso. v. N. & W. Ry. Co.*, 22 I. C. C., 519, a rate of 13 cents was established from both Cincinnati and Columbus to Bluefield, and this rate was made effective by the carriers not only from and to the points named but also from all intermediate stations to and including Ironton and to all intermediate Norfolk & Western main line stations, Ironton to Bluefield. Complainants contend that there were repeated and continuous reductions from Columbus and Cincinnati, but the facts are that while in 1904 the Bluefield rate from both points was 19½ cents, there were both increases and reductions during the period 1904 to 1912, and from February, 1910, to May, 1912, the rates remained at 18 cents from Columbus and 19½ cents from Cincinnati. When the rates to Bluefield and intermediate main-line stations were changed, corresponding reductions were not made to branch-line points or to points on the line from Graham to Norton. A number of important destination points such as Pocahontas, Tazewell, St. Paul, Coeburn, and Norton, are on these lines and the present rates from the western mill points to these points are from 15 to 19½ cents, while the rates from petitioners' mills are in no case in excess of 15½ cents.

Early in 1907 the rate from Columbus to Virginia cities was 12 cents. The Norfolk & Western, as is well understood, has long applied the trunk line basis of rates eastbound, and this Columbus to Virginia cities rate which was the result of trunk line competition, was applied as a maximum not only eastbound but in both directions between all stations on the Norfolk & Western from Salem, Va., a point 7 miles west of Roanoke, to Norfolk, Va., and from Roanoke to Hagerstown, Md., inclusive. In making the rate applicable between all Virginia points east of the Ohio River, defendant overlooked the fact that the rates from Columbus and intermediate points to stations west of Salem were made 5 cents per 100 pounds higher than the rates to Virginia cities, and that the competition existing at points west of Salem was quite different from that controlling in the territory east and north thereof. On representation to defendant that such points as Ironton and Ashland, Ky., could not compete in the coal fields with the lower rate prevailing from the Virginia mills the rates from the Virginia mills were increased in 1909 to what is termed a "nearer parity" with the rates from Ohio points, the distance scale used for this purpose ranging from a maximum of 17 cents for 511 miles and over (the same as the blanket rate from Columbus and intermediate points into the same territory) down to 4 cents for 5

miles and under. Since this change was made in 1909, the Columbus to Virginia cities rate has been increased to 13 cents, but no further increase has been made from the Virginia milling points to the coal fields.

While, as heretofore stated, the attack is upon the rates from all of the numerous milling points, Charlestown to Buena Vista, inclusive, and to all of the numerous stations within the destination territory described, complainants have contented themselves with the offer of testimony as to the rates to Bluefield alone. In any situation affecting groups of points subject to the same general basis or scale of rates, we may properly, and will, inquire into the conditions presented at one or more of the specific points whether typical or otherwise, but we must at the same time look to the entire rate structure and where, as in this case, a distance scale applies, both the extreme and the mean distances and rates must be considered.

The following statement shows in comparative form the distances and existing rates both from complainants' mills and from the competing Ohio mills:

80 I. C. C.

Rates on flour and grain products, carloads, in cents per 100 pounds.

From—	To—											
	Tazewell, Va.		St. Paul, Va.		Coeburn, Va.		Norton, Va.		Pocahontas, Va.		Bluefield, W. Va.	
	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.
Charlestown, W. Va.....	338	14½	306	15½	408	15½	420	15½	328	14½	316	14½
Derryville, Va.....	327	14½	385	15	397	15½	409	15½	317	14½	305	14
Front Royal, Va.....	304	14	362	15	374	15	386	15	294	14	282	14
Luray, Va.....	278	14	336	14½	348	14½	360	15	268	13½	256	13½
Stanley, Va.....	271	14	329	14½	341	14½	353	15	261	13½	249	13½
Elkton, Va.....	254	13½	312	14½	324	14½	336	14½	244	13½	232	13½
Lewis, Va.....	244	13½	300	14	312	14½	324	14½	232	13½	220	13
Port Republic, Va.....	241	13½	297	14	309	14	321	14½	229	13	217	13
Grottoes, Va.....	237	13½	295	14	307	14	319	14½	227	13	215	13
Crimora, Va.....	230	13	288	14	300	14	312	14½	220	13	208	13
Basic, Va.....	223	13	281	14	293	14	305	14	213	13	201	13
Stuarts Draft, Va.....	213	13	271	14	283	14	295	14	203	13	191	13
Buena Vista, Va.....	181	12½	239	13½	251	13½	263	13½	171	12½	159	12½
Columbus, Ohio.....	346	18	372	18	384	18	396	18	334	17	344	13
Ironton, Ohio.....	219	17	245	18½	257	18½	269	18½	207	17	217	13
Cincinnati, Ohio.....	353	19½	379	19½	391	19½	403	19½	341	17	351	13
Washington, Ohio.....	324	19	350	19	362	19	374	19	312	19	322	15

Defendant's rate of 15 cents from Cincinnati to Norton, 403 miles, is made in competition with the Louisville & Nashville Railroad, the distance via that line being 304 miles.

It will be observed that in some instances the rates to Bluefield and main-line stations west thereof from the Ohio mills are somewhat lower for the same distances than the rates from the Virginia mills. It is likewise true, however, that in other instances the rates to these stations from the Ohio mills are the same or higher for the same distances than the rates from the Virginia mills. To the other destination points the rates from the Virginia mills for like distances are invariably less than those from the Ohio mills.

Flour mills are located at several points on the line of the Norfolk & Western, Columbus to Ashland, inclusive, from which the 13-cent rate applies to Bluefield and intermediate stations. The mean of the average distances from such milling points is 188 miles and the average of the rates from the Virginia mills for the same average distance is 12.75 cents, while the actual tariff distance scale rate from the Virginia mills for 188 miles is 12.5 cents. Taking all of the stations, Columbus and Cincinnati to Ashland, inclusive, from which the 13-cent rate applies to Bluefield and intermediate stations, the average distance is 217 miles. For this distance the rate from the Virginia mills is also 13 cents, this being the rate for distances from over 190 to 230 miles.

The shortest distance from any of the Virginia milling points to the coal-field destinations is that from Buena Vista to Bluefield, 159 miles, the rate for which is $12\frac{1}{2}$ cents or 15.7 mills per ton-mile. The greatest distance is that from Charlestown, W. Va., to Williamson, Va., 423 miles, the rate for which is $15\frac{1}{2}$ cents or 7.3 mills per ton-mile.

The distance scale now in force applies elsewhere on the Norfolk & Western system as well as from Shenandoah division stations to the coal fields and is effective as a straight mileage scale to branch-line points as well as to main-line points. The Commission has frequently recognized the justification for some additional charge for branch-line hauls, and a comparison with the rates of the Chesapeake & Ohio Railway from Staunton, Va., an important milling point, to stations in this general territory indicates that to main-line stations east of Winifrede Junction, W. Va., for distances 146 miles to 220 miles, the Chesapeake & Ohio rate is 12 cents and to points on diverging branch lines 14 cents, or 2 cents per 100 pounds higher; also that to main-line stations west of Winifrede Junction for distances 230 miles to 470 miles the rates are 15 and 16 cents. Comparison is also made with the rates of the Baltimore & Ohio Railroad from its stations in the valley of Virginia to eastern cities and intermediate

stations. The distances are from 130 miles to 432 miles and the rates range from 12 to 18 cents. To the eastern cities the traffic is strongly competitive.

As was indicated in the *Bluefield case, supra*, traffic on the Hagerstown to Roanoke branch, Shenandoah division, of the Norfolk & Western is much lighter than that upon the main line, Columbus and Cincinnati through Bluefield and Roanoke to Norfolk, and the operating conditions are entirely different. The Shenandoah division is a single-track line, while the main lines are double tracked.

Complainants' case and the allegation of unreasonable rates apparently rest to a large extent upon the difference in the relation heretofore existing and that now existing between the rates from the Virginia milling points and from the Ohio milling points to the coal fields, and the discrimination charged is with respect to the competitors in Ohio. For this reason the testimony was directed mainly to an effort to establish that when the rates from the Ohio points to Bluefield and intermediate points were reduced no change was made in the rates from Virginia; that the disparity in the rates is alone responsible for diversion to the Ohio mills of business which has heretofore been enjoyed and rightfully belongs to complainants; and that by reason of the closer proximity of complainants' mills to the common destination territory they possess natural advantages which should be preserved to them. Whether or not the reasons given by defendant for the increases in the rates complained of are the sole controlling reasons for such increases, they were made prior to January 1, 1910, and the burden of proof is upon the complainants. We can not find on the record that these rates measured by any of the tests available on the record are unreasonable either of themselves or by comparison with the rates from the competitive Ohio milling points. As has been seen, the shortest distance from any of the Virginia mills to any of the named destinations is that from Buena Vista to Bluefield, 159 miles, while the shortest distance from any of the Ohio mills is that from Ironton to Williamson, 110 miles. The greatest distances are those from Charlestown to Williamson, 423 miles, and from Cincinnati to Norton, 403 miles. In many instances the distances from the Virginia mills are less, but it does not appear that there is sufficient justification on this score for condemnation of the present rates.

Formerly the Luray mill found a market in the coal fields for from 25 to 40 per cent of its output. Its shipments since 1907 have steadily fallen off. The mill at Lewis during the period of the maintenance of the old rates shipped its entire tonnage to the coal fields, while at present its shipments to this territory aggregate from 70 to 75 per cent of its output, the remainder going to Caro-

lina territory. The mill at Stuarts Draft shipped to the coal fields from 1904 to 1907, 183 carloads; from 1907 to 1910, 109 carloads, and from 1910 to 1913, 77 carloads. This mill maintained a branch house at Norton from 1910 to 1913, which it is stated was abandoned because of inability to meet the competition of the western mills. Against this record from the Virginia mills, it appears that the carload shipments from Cincinnati, Columbus, and Washington Court House to the coal fields have increased as follows: 1908, 26 carloads; 1910, 75 carloads; 1913, 338 carloads. Of those from Cincinnati and Columbus, however, all but 1 carload in 1910 and 11 carloads in 1913, consisted of the product of wheat which originated at points beyond and moved under milling-in-transit rates. It does not appear what proportion of the shipments from Washington Court House were milled in transit at that point.

The Virginia mills have the benefit of milling in transit from direct-haul points beyond and it appears that formerly no extra charge was made for this privilege, while at present there is an additional charge of $1\frac{1}{2}$ cents per 100 pounds. The transit charge to the Ohio mills is one-half cent per 100 pounds, and, in testimony and briefs, some attention was given to this discrimination. This issue, however, is not before us on the pleadings.

Several small flour mills are located in the coal fields, some of which have been established or rebuilt since 1909, and these mills, and distributors of western flour located at Bluefield, supply a considerable quantity of flour in the coal fields. The complaining Virginia millers ship to Carolina territory, some of them in increasingly heavy quantities, and are now before us in another proceeding contending that their natural markets are in that territory. Whether or not these conditions are responsible for the diminishing tonnage to the coal fields, it is certain that complainants possess no exclusive rights in the coveted territory and that this territory does not afford the only outlet for their products. We said in *Board of Railroad Commissioners of Kansas v. A., T. & S. F. Ry. Co.*, 22 I. C. C., 407, 410: "A narrowing market, increased cost of production, overproduction, and many other conditions may render an industry unprofitable, without showing the freight rate to be unreasonable," and we have repeatedly held that it was no part of our duty to so adjust rates as to enable any industry to do business at a profit, to equalize market conditions, or to overcome disadvantages not arising from a violation of the statute. We are not convinced on the facts before us that the rates complained of are unjustly discriminatory or otherwise in violation of the law.

An order will be entered dismissing the complaint.

Commissioner CLARK took no part in the decision of this case.

INVESTIGATION AND SUSPENSION DOCKET No. 322.
MOLASSES RATES TO KNOXVILLE, TENN.

Submitted April 4, 1914. Decided June 9, 1914.

Proposed domestic rate of 33 cents per 100 pounds on "blackstrap" molasses in carloads, being the same rate which governs the transportation of all other molasses from New Orleans, La., to Knoxville, Tenn., found to be justified, except in so far as it may violate the long-and-short-haul clause in comparison with a rate of 32 cents to Bristol, Tenn.

Charles Kimmich for Traffic Bureau of Knoxville, Tenn.

William Burger for Louisville & Nashville Railroad Company.

Frank W. Gwathmey for Florida East Coast Railway and other respondent carriers.

REPORT OF THE COMMISSION.

HALL, *Commissioner*:

There is involved in this proceeding the reasonableness of a proposed rate of 33 cents per 100 pounds for the transportation of "blackstrap" molasses in carloads from New Orleans, La., to Knoxville, Tenn. This is the present rate applicable to all other molasses and sirup generally, and prior to November 9, 1912, it applied also to the movement of blackstrap. The latter was, on that date, accorded the present special rate of 25 cents when moving in tank cars. The carriers now propose to cancel the special rate, and thus put blackstrap on the basis which governed formerly. The tariff under suspension herein provides that a class rate of 56 cents will obtain in lieu of the 25-cent rate, but the carriers upon hearing and in brief announce their intention to apply to blackstrap the present commodity rate of 33 cents on molasses and sirup if the suspension order herein is vacated.

Blackstrap molasses is a sugar-cane product of low grade, containing less sugar than the higher grades of molasses, and is used very largely as a sweetening in the manufacture of mixed feeds for animal use. The protest herein is on behalf of a manufacturer of such feeds at Knoxville. Blackstrap is also used to some extent for human consumption interchangeably with higher grades of molasses, and as an ingredient in the manufacture of certain articles of food for man. Its value is less than that of the lowest grade of table molasses, and not more than 25 per cent of the value of the highest table grade. Whether the ordinary observer or an inspector can distinguish blackstrap from the other grades of molasses is in dispute in this record. The practical difficulty in determining with certainty whether any given shipment, when made, is of one grade or another,

is a reason, although not controlling, for applying the same rate to all grades.

Knoxville is the only point in southern territory where blackstrap is on a rate plane different from that of other grades of sugar-cane molasses, and this only since November 9, 1912. The special rate was then named at the solicitation of the manufacturer who now protests, and, so the carriers say, upon misleading representations as to the nature of the commodity and the traffic expected to move. Be that as it may, it is the fact, to be read from the tariffs, that the proposed rate merely cancels a special rate to one destination, and puts blackstrap to Knoxville upon the rate plane governing that commodity in all southeastern territory. Other southeastern points also use blackstrap in the manufacture of mixed feeds for animals. It is not to be understood, however, that blackstrap should always take the rate applicable to all other molasses and to sirup generally.

There is much in the record regarding mixing-in-transit arrangements formerly in effect at Knoxville, and there is reason to believe that the present rate was established to bring about the same result as did the former transit rates. The record discloses more recent mixing-in-transit arrangements permitted at Owensboro, Ky., by respondent Louisville & Nashville Railroad Company, whereby the net rate on blackstrap in carloads to that point was reduced to 15½ cents. But that arrangement was canceled before the hearing in this proceeding, and blackstrap now moves from New Orleans to Owensboro at the carload rate of 21 cents, which governs all molasses.

As already said, the proposed rate of 33 cents is the rate at which, prior to and since the date when the present special rate went into effect, all other molasses has moved in carloads from New Orleans to Knoxville. It is part of a regular southeastern rate adjustment, which includes a carload rate per 100 pounds of 28 cents to Atlanta and Rome, Ga., and Chattanooga, Tenn.; 30 cents to Augusta and Macon, Ga.; and 32 cents to Bristol, Tenn. Compared with the latter, however, the proposed rate of 33 cents would apparently violate the long-and-short-haul provision of the fourth section, because Knoxville, on shipments from New Orleans via the routes over which the increased rate applies, is intermediate to Bristol.

Upon the whole record the Commission finds, and the order herein will provide, that for the transportation of blackstrap molasses in carloads from New Orleans to Knoxville, the respondents should publish a rate not in excess of the present rate from New Orleans to Knoxville on all other grades of molasses, and not in violation of the long-and-short-haul provision of section 4 of the act to regulate commerce.

Commissioner CLARK took no part in the decision of this case.

No. 5891.

LOW MOOR IRON COMPANY OF VIRGINIA ET AL.

v.

CHESAPEAKE & OHIO RAILWAY COMPANY ET AL.

Submitted March 11, 1914. Decided June 9, 1914.

Upon complaint of certain producers of pig iron in Virginia that the rates quoted to them for the transportation of pig iron from their furnaces to points in New England and the middle Atlantic states are unreasonably high as compared with rates quoted to producers of pig iron at competing points in Pennsylvania and New York; *Held*, That said rates are unreasonable and unjustly discriminatory and should not exceed the rates named herein.

D. D. Hull, jr., and Frank Lyon for complainants.

W. C. Coleman for Baltimore & Ohio Railroad Company.

W. L. Kinter for Philadelphia & Reading Railway Company.

Henry Wolf Biklé for Pennsylvania Railroad Company.

REPORT OF THE COMMISSION.

DANIELS, Commissioner:

The rates attacked in this proceeding are those upon pig iron from certain furnaces in Virginia to points of destination mainly in New England and the middle states. Certain of these furnaces are located upon the Chesapeake & Ohio; others upon the Norfolk & Western. All rail traffic from the Chesapeake & Ohio furnaces passes through Potomac Yards by the most direct route, while that from furnaces upon the Norfolk & Western passes through Hagerstown. From both points of origin there is, however, another route via Norfolk and the New York, Philadelphia & Norfolk, which route takes a so-called rail-and-water rate. The furnaces themselves are located within a comparatively close range, and the same rate applies from all these Virginia furnaces. It was conceded that Low Moor was fairly representative of points upon the Chesapeake & Ohio, and Roanoke of points upon the Norfolk & Western. The distance from Roanoke is slightly greater than from Low Moor to all the points in question, but this difference, in proportion to the entire distance, is not significant, and in the present discussion Low Moor will be taken as typical of the Virginia furnaces.

It was said that Baltimore, Philadelphia, New York, Stamford (Conn.), and Boston were fairly illustrative of points of destination.

Below are given the all-rail rates and distances from Low Moor to these various points:

To—	Miles.	Rate.
Baltimore.....	255	\$2.45
Philadelphia.....	351	3.00
New York.....	442	3.95
Stamford.....	478	3.75
Boston.....	653	3.75

It will be observed that the rate to New York is greater than to New England though the distance is materially less.

The pig iron produced at these Virginia furnaces is of a peculiar quality and is used for particular purposes. It does not sell in competition with all pig iron but only with that of a similar character. The evidence in this record tends to show that iron of the same character is produced at certain points in New York, Pennsylvania, and Ohio, and it was said that of these competing points the principal ones were Pittsburgh (a single furnace), Emporium, Saxton, Punxsutawney, in the state of Pennsylvania, Youngstown, Ohio, and Buffalo, N. Y. Below is given a table showing the all-rail rates and distances from Low Moor, Va., and these competitive points of production to Baltimore, Philadelphia, New York, Stamford, and Boston.

From—	To Baltimore, Md.			To Philadelphia, Pa.			To New York, N. Y.		
	Miles.	Per ton.	Per ton-mile.	Miles.	Per ton.	Per ton-mile.	Miles.	Per ton.	Per ton-mile.
			<i>Mills.</i>			<i>Mills.</i>			<i>Mills.</i>
Low Moor, Va.....	255	\$2.45	9.6	351	\$3.00	8.5	442	\$3.95	8.9
Roanoke, Va.....	319	2.45	7.6	362	3.00	8.3	453	3.95	8.7
Pittsburgh, Pa.....	329	2.15	6.5	348	2.25	6.4	439	2.45	5.5
Emporium, Pa.....	275	1.80	6.5	294	1.80	6.1	385	2.00	5.2
Saxton, Pa.....	207	1.50	7.2	225	1.60	7.1	316	2.05	6.5
Punxsutawney, Pa.....	265	1.85	6.9	284	1.85	6.5	375	2.40	6.4
Youngstown, Ohio.....	395	2.58	6.4	414	2.65	6.4	505	2.85	5.6
Buffalo, N. Y.....	395	2.45	6.2	416	2.45	6.0	411	2.45	5.9

From—	To Stamford, Conn.			To Boston, Mass.		
	Miles.	Per ton.	Per ton-mile.	Miles.	Per ton.	Per ton-mile.
			<i>Mills.</i>			<i>Mills.</i>
Low Moor, Va.....	478	\$3.75	7.8	653	\$3.75	5.8
Roanoke, Va.....	487	3.75	7.7	717	3.75	5.2
Pittsburgh, Pa.....	473	2.65	5.6	652	2.65	4.0
Emporium, Pa.....	419	2.45	5.8	599	2.45	4.0
Saxton, Pa.....	350	2.35	6.7	529	2.35	4.2
Punxsutawney, Pa.....	409	2.45	6.0	588	2.45	4.2
Youngstown, Ohio.....	539	2.85	5.3	727	3.05	4.1
Buffalo, N. Y.....	445	2.45	5.5	498	2.45	4.9

From an examination of this table it will be seen that the rates from Virginia furnaces are materially higher, mile for mile, than the rates from these competing points.

As already noted, this all-rail traffic from points on the Chesapeake & Ohio moves through Potomac Yards, while that from Norfolk & Western furnaces moves through Hagerstown. At Hagerstown and Potomac Yards this traffic is received by connections of the originating lines, and these connecting lines handle it to destination. The lines up to Hagerstown and Potomac Yards are ordinarily termed southern lines, while those beyond are known as northern lines. It was shown that the ton-mile receipts of the southern lines as their division of the through rate were materially less than those received by the northern lines; and not appreciably higher than ton-mile receipts on pig iron generally in the southern territory. This is exhibited by the following table showing the number of miles south and north, together with the amount received by the respective lines.

Division of rates from Low Moor.	Miles.	Division of rate.	Rate per ton-mile.
To Baltimore:			<i>Mills.</i>
Lines south of Potomac Yards.....	215	\$1.45	6.7
Lines north of Potomac Yards.....	40	1.00	25.0
Total.....	255	2.45	9.6
To Philadelphia:			
Lines south of Potomac Yards.....	215	1.45	6.7
Lines north of Potomac Yards.....	136	1.55	11.4
Total.....	351	3.00	8.5
To New York:			
Lines south of Potomac Yards.....	215	1.45	6.7
Lines north of Potomac Yards.....	226	2.50	11.0
Total.....	441	3.95	9.0
To Stamford:			
Lines south of Potomac Yards.....	215	1.25	5.8
Lines north of Potomac Yards.....	263	2.50	9.5
Total.....	478	3.75	7.7
To Boston:			
Lines south of Potomac Yards.....	215	1.25	5.8
Lines north of Potomac Yards.....	438	2.50	5.7
Total.....	653	3.75	5.7

It will be seen from an examination of this table that the haul of the southern lines is about 215 miles and the division \$1.45, except when the traffic is for New England points, when a division of \$1.25 is accepted. The haul of the northern lines is as great on the average as that of the southern lines, or even greater, but the division accruing to the former is much greater. With the exception of rates to Boston, where the division is practically equal, the northern line receives on the average, mile for mile, nearly twice as much as the southern line.

It will also be seen that the per ton-mile rate received by the northern lines for the carriage of pig iron from northern competing fur-

naces is much less than the per ton-mile rate received by them for the carriage of the competing traffic from these southern furnaces.

The evidence shows that in recent years the southern furnaces have suffered severely in New England and at other points in the middle states from this competition, and it is insisted that in the near future the southern furnaces will be entirely driven out of business in this territory unless a fair adjustment of freight rates can be secured. Complainants therefore allege that rates exacted from them are both unjust and unreasonable as well as unjustly preferential to their northern competitors.

Defendants in support of rates now exacted contend first, that two regions of essentially different rate structure are involved, the so-called southern having a rate structure, both class and commodity, higher than that long established to the north; second, that to shrink the rates from the Virginia points to a basis comparable to that in vogue in the northern territory would be likely to dislocate a great part of the long-established rate structure of said northern territory.

In reply to defendants' first contention, it may be said that the fact that a portion of the haul is through what is commonly called southern territory does not conclusively determine that the rate from the southern points must be materially higher than a haul of substantially the same distance lying wholly in northern territory. Admitting that a relatively higher rate structure prevails in southern territory than in the territory north of the Potomac and Ohio rivers, it does not necessarily follow that hauls originating in southern territory must bear the permanent impress of the per-ton-mile rates there prevailing, especially where that portion of the through haul lies in a district so thickly populated and in which traffic moves in such quantities that it may fairly be questioned whether the same high-rate structure should prevail there as naturally prevails in that part of the southern territory which is more sparsely settled and where transportation costs are relatively higher.

Defendants' second contention was that a reduction of the rates from southern points would throw out of balance a long-established rate structure. They show that rates in northern territory are based on the New York-Chicago rate and that the rates from the points mentioned in the foregoing table are established in just relation to those between other producing and consuming points in northern territory. It may well be that these rates are justly related to similar rates in that section; and since they have been long established and maintained at substantially their present figure, it may well be contended, in the absence of proof to the contrary, that they are just and reasonable *as between points in that region*. But it does not follow that the adjustment as between points in that region and points in the southern territory is just and reasonable.

Defendants also contended that the shrinkage of the rates from Virginia furnaces to the level of rates enjoyed by their Pennsylvania and New York competitors would provoke the latter in turn to insist upon a further depression in the rates on Pennsylvania and New York iron. This contention does not impress us favorably. The question at issue is, do the present rates work relative injustice to the Virginia furnaces? If they do, and we so hold, the allegation that when the remedy is applied, the northern competitors will again insist upon being accorded a new preferential advantage, amounts to saying that the northern furnaces and their carrier allies contend for a permanent coign of unjust advantage for the furnaces of one region. We are of the opinion and so hold that the present rates from these southern furnaces to the various destinations named are unjustly preferential to the operators of northern furnaces, and unjustly discriminatory as against their Virginia competitors.

The northern carriers further assert that they may properly make more favorable rates from northern furnaces for the reason that those furnaces are located upon their own lines, and that collateral merchandise and commodity traffic inbound justify the lower rate on the pig iron from points on their own lines. The raw material which that furnace uses is brought in by the northern line; the community which that furnace builds up is served by the northern line; it is therefore for the interest of that line to promote its own furnace by giving to it a lower rate of transportation. Without deciding whether such considerations may not warrant some moderate allowance in the construction of its transportation charges, manifestly it can not proceed to the point of establishing charges so disproportionate as by comparison to be unjust or unreasonable.

It will be observed that the rates from the Virginia furnaces to the points of destination, such as Baltimore, Philadelphia, and New York, are from 20 to 50 per cent higher than the rates from other representative furnaces, such as Birmingham, Ala., east of the Mississippi River to points ranging from 250 to 750 miles distant therefrom, as seen by the following table, introduced by complainant, and taken from *New Orleans Board of Trade v. L. & N. R. R. Co.*, 23. I. C C., 429:

From Birmingham, Ala., to—	Distance.	Rate per gross ton.	Rate per 100 pounds.	Rate per ton-mile.
	<i>Miles.</i>		<i>Cents.</i>	<i>Mills.</i>
New Orleans, La.....	355	\$3.00	13.4	7.55
Jacksonville, Fla.....	485	2.75	12.28	5.07
Charleston, S. C.....	468	2.75	12.28	5.26
Savannah, Ga.....	434	2.75	12.28	5.66
Brunswick, Ga.....	443	2.75	12.28	5.55
Spartanburg, S. C.....	360	2.75	12.28	6.83
Charlotte, N. C.....	436	2.75	12.28	5.64
Macon, Ga.....	256	1.65	7.36	5.75
Augusta, Ga.....	337	2.00	8.93	5.30
Atlanta, Ga.....	166	1.00	4.46	5.37
Nashville, Tenn.....	207	2.00	8.92	8.61
Louisville, Ky.....	394	3.00	13.4	6.80
St. Louis, Mo.....	496	3.75	16.7	6.73
Cincinnati, Ohio.....	481	3.25	14.5	6.03

Also, that the ton-mile rates from Virginia points of origin to destinations, such as Cincinnati, Chicago, and St. Louis, are much lower than the ton-mile rates in question.

From—	To—	Distance.	Rate per gross ton.	Rate per ton-mile.
		<i>Miles.</i>		<i>Miles.</i>
Low Moor, Va.....	Cincinnati, Ohio.....	383	\$2.35	6.1
Do.....	Chicago, Ill.....	681	3.20	4.7
Do.....	St. Louis, Mo.....	716	3.60	5.0
Roanoke, Va.....	Cincinnati, Ohio.....	436	2.35	5.4
Do.....	Chicago, Ill.....	734	3.20	4.4
Do.....	St. Louis, Mo.....	769	3.60	4.7

Further, that the car-mile earnings under the minimum loadings upon pig iron exceed by 50 per cent the car-mile earnings between the Virginia points and Philadelphia, Baltimore, and New York upon timber, wood pulp, cattle, and soda ash, and that under the actual loading, the car-mile earnings of the pig iron exceed those of other heavy commodities by more than 50 per cent; that in the division of rates upon pig iron north and south of the gateways, the northern lines demand nearly 50 per cent more per ton-mile than the southern lines, yet these southern lines earn upon the pig iron hauls involved about the same per ton-mile revenue as is customary in other parts of the southern classification territory.

We are of the opinion and find that the rates to Baltimore, Philadelphia, and New York, and points taking the same rates from the southern points here in question, are unreasonable *per se*, and that the rates to Baltimore, Philadelphia, New York, and Boston, and the points taking the same rates from the southern points in Virginia, are unjustly discriminatory, and that such rates should not exceed the following: Baltimore, \$2.25; Philadelphia, \$2.75; New York, \$3; and Boston, \$3.25.

If tariffs quoting the rates herein found to be reasonable are not filed before August 15, 1914, an appropriate order will be issued.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

FOURTH SECTION APPLICATIONS NOS. 639 AND 2176.

IN THE MATTER OF RATES ON TROPICAL FRUITS FROM
GULF PORTS TO VARIOUS DESTINATIONS.

Submitted March 1, 1914. Decided June 12, 1914.

Carriers transporting tropical fruits from Gulf ports to various points of destination in the states of Missouri, Oklahoma, Arkansas, Kansas, Iowa, Minnesota, Nebraska, South Dakota, Illinois, Wisconsin, etc., at lower rates than are charged to intermediate points ask to be allowed to continue the making of higher rates to intermediate points, *Held*, That—

1. Carriers engaged in the transportation of bananas and coconuts from Galveston and other Texas ports to points east of the Missouri River and the line of the Kansas City Southern Railway Company should be allowed relief from the fourth section to meet the competition of rail lines from New Orleans engaged in the transportation of the same commodities imported through that port.
2. Carriers whose lines are circuitous engaged in transporting bananas and coconuts from Galveston and other Texas ports to points on and west of the Missouri River and the line of the Kansas City Southern Railway Company granted relief from the fourth section in cases where their lines are 15 per cent longer than the more direct lines between the same points.
3. Carriers transporting tropical fruits from New Orleans and Port Chalmette, La., Mobile, Ala., and Pensacola, Fla., to points on and west of the Mississippi River, whose lines are 15 per cent longer than the short line between the same points granted relief from the fourth section.
4. All other relief prayed for in said applications Nos. 639 and 2176, respecting rates on tropical fruits from Texas ports to all destinations and from other Gulf ports to destinations on and west of the Mississippi River, denied.

Frank W. Gwathney for Illinois Central Railroad Company, New Orleans & Northeastern Railroad Company, and other carriers.

C. S. Burg for Missouri, Kansas & Texas Railway Company, and Missouri, Kansas & Texas Railway Company of Texas.

Fred G. Wright for Missouri Pacific Railway Company; St. Louis, Iron Mountain & Southern Railway Company; Texas & Pacific Railway Company, and other carriers.

L. M. Hogsett for International & Great Northern Railway Company.

W. F. Dickinson and *W. T. Hughes* for Chicago, Rock Island & Pacific Railway Company; Chicago, Rock Island & Gulf Railway Company; Trinity & Brazos Valley Railway Company; and St. Paul & Kansas City Short Line Railroad Company.

D. L. Meyers and *J. R. Koontz* for Atchison, Topeka & Santa Fe Railway Company.

Evans Browne for Kansas City Southern Railway Company.

A. C. Fonda for Gulf, Colorado & Santa Fe Railway Company.

Fred H. Wood for St. Louis & San Francisco Railroad Company.

G. W. Owen and *H. A. Scandrett* for Morgan's Louisiana & Texas Railroad & Steamship Company, Louisiana Western Railroad Company, and other carriers.

U. G. Powell for Nebraska State Railway Commission.

Walter S. Whitten for Lincoln Commercial Club.

A. M. Conners for Commercial Club of Grand Island, Nebr.

Robert Pease and *Morgan Freshman* for Beatrice (Nebraska) Commercial Club.

E. H. Hogueland and *Roscoe Hambric* for Wichita and Hutchinson produce companies.

H. G. Wilson for the Commercial Club of Kansas City, Mo.

H. T. Driscoll for the Topeka Traffic Association.

William H. Young for Wiley & Morehouse.

REPORT OF THE COMMISSION.

BY THE COMMISSION :

The applications which are referred to above cover the rates on tropical fruits, viz, bananas, oranges, pineapples, and coconuts from the Gulf ports to practically all points in the United States, which do not conform to the long-and-short-haul provision of the fourth section.

Application No. 639 covers rates on tropical fruits from Galveston, Port Bolivar, Port Arthur, Texas City, Houston, and Orange, Tex.; while application No. 2176 covers rates from New Orleans and Port Chalmette, La., Mobile, Ala., and Pensacola, Fla. Hearings have been held and testimony has been taken in respect to all rates in contravention of the fourth section covered by application No. 639. These are the rates from the Texas group of points. Galveston is representative of this group, and where we speak of Galveston hereafter we shall have reference to the entire group. The carriers that participate in these rates, and on behalf of which this application is made, consist of all carriers that are shown as participating in F. A. Leland agent's tariff I. C. C. No. 776. Hearings have also been held and much testimony has been taken in respect to the rates from New Orleans, covered by application No. 2176. The hearings upon this application have not, however, been completed, except as to the rates from New Orleans to points west of the Mississippi River. Only the rates to these points will, therefore, be dealt with in this report, and the remainder will be reserved for future consideration.

The rates via the direct lines from New Orleans to these destinations generally conform to the fourth section, or where they do not conform carriers have signified their intention of correcting them. The only relief prayed, therefore, in respect to these rates is by the long line, that they may continue to meet the rates of the more direct lines.

The situation with respect to the rates from Galveston, however, is quite different. Where these rates do not conform the direct lines, as well as the long lines, are in contravention of the fourth section, and both are asking to be allowed to continue their present schedules of rates.

The principal departures existing in the rates from Galveston are those found in the rates to points on the Missouri River, Kansas City, Mo., and north thereof, comprising what are generally known as Missouri River points, stations basing thereon, and points east thereof. The rates to these stations, via all lines, are lower than the rates to intermediate points, and as practically all the lines reaching these points are parties to these rates and therefore participate in these departures, they are all asking for relief from the provisions of the fourth section, and offering as justification therefor the same reasons. Therefore, before proceeding to a consideration of the fourth-section departures existing on the individual lines, we shall take up the departures existing at Kansas City and the other points named and show the causes as stated by the carriers, which have produced these departures, and the justification and necessity for their continuance.

The petitioners ask in application No. 639 for authority to continue rates on all tropical fruits from Galveston to Kansas City and other Missouri River points; but at the hearing upon this application it was testified that there had been no movement of tropical fruits from Galveston for many years, except bananas and coconuts, and that rates on other fruits would be revised in such a way as to remove all conflict with the provisions of the fourth section.

The departures from the fourth section in respect to the rates on both bananas and coconuts are of the same character, and the same reasons are offered in justification of them. In the same way the situation at Kansas City is the same as that existing at the other Missouri River points, and it will be sufficient for an explanation of the matter to take up the rates to that point only.

The rate on bananas via all routes from Galveston to Kansas City, Mo., is 58 cents per 100 pounds, and this rate is exceeded at intermediate points on all lines. The lines reaching Kansas City, through Oklahoma, which include the Chicago, Rock Island & Pacific Railway; Atchison, Topeka & Santa Fe Railway; St. Louis & San Fran-

cisco Railroad; and Missouri, Kansas & Texas Railway, carry higher rates, with a few exceptions, to all points on their lines north of the Texas-Oklahoma state line, the rates to such points ranging from 62 to 70 cents per 100 pounds.

The Kansas City Southern Railway, which lies farther east, also carries higher rates to intermediate points, but the rates to points on this line do not begin to exceed the rates to Kansas City until a greater distance from Galveston has been reached. The rates at such points also vary from 62 to 70 cents. To points east of the Missouri River the rates are in many instances lower than to points on the river; for example, the rate to St. Louis is 43 cents per 100 pounds, and to Mississippi River points north thereof the rates range from 48 cents at Hannibal to 56 cents at Dubuque. To Peoria, Springfield, Chicago, and other points in Illinois the rate is 51 cents, and the same rate applies to Indianapolis and in general to points in western Indiana. The rates to points east of Indianapolis and north of the Ohio River grade upward again until at Springfield and Columbus, Ohio, the rate is the same as to Kansas City, while to Toledo and Detroit it is 60 cents per 100 pounds. It will be seen, therefore, that the rates from Galveston are highest to points in northern Oklahoma and southern Kansas and begin to grade downward just before reaching Kansas City, reaching their lowest level at points on and in the vicinity of the Mississippi River in Illinois and in western and southern Indiana, and then grade upward again as the distance from Galveston increases.

In explanation of this adjustment carriers assert that these rates were established in order to place Galveston on a parity with New Orleans as a port of entry for the importation and distribution of bananas. Witness for petitioners testified that bananas were first imported in any quantity through Galveston in 1888.

At that time the importation of bananas through New Orleans had been carried on for several years. The business had become one of large and growing importance. Freight rates had been established and adjusted to the needs of the traffic and the competition of bananas imported through the Atlantic ports equalized at the Ohio River crossings, Chicago, Ill., and other important cities in the middle west.

It was at once apparent that the successful establishment of Galveston as a port of entry for the distribution of bananas would depend largely upon the ability of the importers of Galveston to compete with those of New Orleans, and this would require the adjustment of rates from Galveston with relation to those in effect from New Orleans, so as to place them as nearly as possible on an equality with the New Orleans rates.

Dallas; and thence Missouri, Kansas & Texas Railway to Kansas City, the total distance being 806 miles. This is not the highest rate carried to intermediate points, however. Some of the other lines that are more circuitous carry rates as high as 70 cents. This is also true of the Missouri, Kansas & Texas Railway in a few cases, but while the latter company states that it will reduce its rates so that none of them will exceed 62 cents, the other companies have made no proposal to correct their rates. This maximum rate is also carried by these other lines to stations but slightly more than one-half of the distance to the Missouri River. For example, the first station on the Chicago, Rock Island & Pacific Railway at which the rate is 70 cents is Sugden, Okla., 438 miles from Galveston. On the Atchison, Topeka & Santa Fe Railway, Daugherty, Okla., 470 miles from Galveston, and on the St. Louis & San Francisco Railroad, Fitzhugh, Okla., 459 miles from Galveston. These carriers, therefore, are asking leave to carry rates as high as 70 cents to points less than 500 miles from Galveston and lower rates to points from 300 to 500 miles farther distant. It is true that many of these rates are paper rates on which no business moves. Carriers are asking for authority to continue their publication, however, and to be allowed to apply such rates should business be obtained by them. It is the duty of the Commission, therefore, to pass upon their applications.

That the Galveston lines are entitled to some relief in respect to rates to points east of the Mississippi River which have been reduced to meet the competition from New Orleans is clearly apparent. We think, however, that such disparities between rates to intermediate points and those to more distant points as are shown to exist in these cases are too greatly out of proportion and ought not to be permitted.

The short-line distance from Galveston to Kansas City via Dallas and the Missouri, Kansas & Texas Railway is 806 miles. This company has signified its intention of charging no higher rate than 62 cents to any intermediate point, which includes practically all points within 800 miles of Galveston. The conditions affecting the transportation of like traffic via the more circuitous lines have not been shown to be different from those prevailing on the Missouri, Kansas & Texas Railway, nor is it urged by these petitioners that they are. We believe, therefore, that the maximum rate that this line is applying for authority to continue to intermediate points on its line ought not to be exceeded for substantially equal distances by the lines who may desire to compete with it at Kansas City and other points. We hold, therefore, in respect to the application of these Galveston lines for authority to continue lower rates to Kansas City and other Mis-

cisco Railroad; and Missouri, Kansas & Texas Railway, carry higher rates, with a few exceptions, to all points on their lines north of the Texas-Oklahoma state line, the rates to such points ranging from 62 to 70 cents per 100 pounds.

The Kansas City Southern Railway, which lies farther east, also carries higher rates to intermediate points, but the rates to points on this line do not begin to exceed the rates to Kansas City until a greater distance from Galveston has been reached. The rates at such points also vary from 62 to 70 cents. To points east of the Missouri River the rates are in many instances lower than to points on the river; for example, the rate to St. Louis is 43 cents per 100 pounds, and to Mississippi River points north thereof the rates range from 48 cents at Hannibal to 56 cents at Dubuque. To Peoria, Springfield, Chicago, and other points in Illinois the rate is 51 cents, and the same rate applies to Indianapolis and in general to points in western Indiana. The rates to points east of Indianapolis and north of the Ohio River grade upward again until at Springfield and Columbus, Ohio, the rate is the same as to Kansas City, while to Toledo and Detroit it is 60 cents per 100 pounds. It will be seen, therefore, that the rates from Galveston are highest to points in northern Oklahoma and southern Kansas and begin to grade downward just before reaching Kansas City, reaching their lowest level at points on and in the vicinity of the Mississippi River in Illinois and in western and southern Indiana, and then grade upward again as the distance from Galveston increases.

In explanation of this adjustment carriers assert that these rates were established in order to place Galveston on a parity with New Orleans as a port of entry for the importation and distribution of bananas. Witness for petitioners testified that bananas were first imported in any quantity through Galveston in 1888.

At that time the importation of bananas through New Orleans had been carried on for several years. The business had become one of large and growing importance. Freight rates had been established and adjusted to the needs of the traffic and the competition of bananas imported through the Atlantic ports equalized at the Ohio River crossings, Chicago, Ill., and other important cities in the middle west.

It was at once apparent that the successful establishment of Galveston as a port of entry for the distribution of bananas would depend largely upon the ability of the importers of Galveston to compete with those of New Orleans, and this would require the adjustment of rates from Galveston with relation to those in effect from New Orleans, so as to place them as nearly as possible on an equality with the New Orleans rates.

lines are 15 per cent longer than the short lines relief should be granted.

The rates on tropical fruits from New Orleans and related points referred to in application No. 2176 to points west of the Mississippi River that do not conform to the fourth section have been brought about by reductions made at more distant points to meet the competition of more direct lines. These occur principally in the rates of lines which run west of the Mississippi River to points on and east of the river. This is well illustrated in the case of the rate on bananas of the St. Louis, Iron Mountain & Southern Railway in connection with the Texas & Pacific Railway from New Orleans to Memphis, Tenn. The rate to this point from New Orleans on bananas is 35 cents, made by the direct line of the Illinois Central Railroad, which runs almost due north on the east side of the Mississippi River, a distance of 396 miles. Traffic destined to Memphis, Tenn., via St. Louis, Iron Mountain & Southern would move west from New Orleans via Texas & Pacific to Ferriday, La., and thence via St. Louis, Iron Mountain & Southern, a distance of 497 miles. Occasionally, however, during the spring this line is more or less under water and when this occurs the traffic must be routed via Alexandria, La., the distance via this line being 529 miles. Rates to intermediate points on these indirect lines appear, as a rule, to bear a reasonable relation to the rates to more distant points, and we think that they should be granted the same relief that we have recommended in respect to the circuitous lines from Galveston—that is, that they may be allowed to continue higher rates to intermediate points than to more distant points in those instances where their lines are not less than 15 per cent longer than the short line between the same points.

There are a number of instances where both the rates from New Orleans and Galveston are lower to more distant points than to intermediate points, due to the fact that commodity rates have been established to the more distant points, but have not been established to the intermediate points there not having been any movement of traffic to intermediate points, and no necessity therefore for the establishment of commodity rates. This is no justification for charging higher rates to the intermediate points. Rule 77 of Tariff Circular No. 18-A was designed to cover such cases and carriers will be expected to correct all departures from the fourth section of this character either by the use of this rule or in some other manner in harmony with the tariff regulations of the Commission.

The disparities between the rates on coconuts to the more distant points and the intermediate points on and reached via the lines of the petitioners herein appear in the majority of cases to be greater than those existing in the rates on bananas.

The following statement shows the rates, in cents per 100 pounds, from Galveston to Kansas City and the highest rates to intermediate points:

Via—	To Kansas City.	To intermediate points.
Chicago, Rock Island & Pacific Railway	40	60
Atchison, Topeka & Santa Fe Railway	40	65
St. Louis & San Francisco Railroad	40	64
Missouri, Kansas & Texas Railway	40	64
Kansas City Southern Railway	40	45

Coconuts are classified in western classification at fourth class, while bananas take third class; ordinarily therefore the rates on the former are lower than on the latter as might be expected, considering the characteristics of the two commodities, and examination of the tariffs of the petitioners shows that this is generally the case in respect to the rates involved herein. There are some instances, however, where the rates are the same and others where the difference between the rates on each is but slight.

The same measure of relief will be granted in respect to rates on coconuts as on bananas, but where 62 cents per 100 pounds is prescribed as the maximum rate that may be charged on bananas from Galveston, Tex., to points on indirect lines intermediate to Kansas City not more than 800 miles from Galveston, we find that the rate on coconuts should not exceed 45 cents per 100 pounds, and that the amounts added to this rate for transportation to points of greater distance should not be greater than the amounts added for the transportation of bananas as provided herein, namely, 1½ cents per 100 pounds for each additional 25 miles or fraction thereof.

Fourth section orders will be issued granting relief in accordance with the findings herein made, and all other relief prayed for in the said application in respect to the rates referred to will be denied, effective September 15, 1914.

Tariffs containing rates revised in accordance with this report should give statutory notice and should therefore be filed with the Commission not later than August 16, 1914.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 321.

COAL RATES FROM VIRGINIA MINES.

Submitted March 12, 1914. Decided June 13, 1914.

1. The rates on coal from the mines in the St. Charles, Va., group to points north of the Ohio River within 400 miles from St. Charles should not exceed the rates from the Middlesboro-Jellico group to said destinations by more than 10 cents per ton; beyond that the differential should decrease not less than 1 cent for each additional 100 miles.
2. The rates on coal from the mines in the Appalachia group and the mines at Benham, Ky., should not exceed the rates from the Middlesboro-Jellico group to points north of the Ohio River by greater amounts than the present differentials, provided that the differentials of Appalachia over Middlesboro-Jellico should in no case be less than the differentials of St. Charles over Middlesboro-Jellico.
3. The prescribed differentials being maxima, the carriers are at liberty to establish smaller ones whenever commercial conditions may so require.
4. Respondents required to cancel rates exceeding those prescribed in the report, but suspension order vacated as to all other rates named in the tariff under suspension.

R. T. Irvine for Black Mountain Mining Company, Incorporated.

W. A. Colston for Louisville & Nashville Railroad Company.

D. P. Connell for New York Central lines.

REPORT OF THE COMMISSION.

MEYER, Commissioner:

This proceeding concerns the relationship, in rates on coal to points north of the Ohio River, of the St. Charles, or Black Mountain group of mines, and the Appalachia group in southwestern Virginia, the mines at Benham, Ky., and the Middlesboro-Jellico group in southeastern Kentucky and northern Tennessee, all of which are served by the Louisville & Nashville Railroad.

Preliminary to our consideration of the situation proposed in the tariff under suspension and of the arguments advanced by respondents and protestants we call attention to the accompanying map, which shows the location of the coal fields herein involved.

It will be noted that the Middlesboro-Jellico district extends along the main line of the Louisville & Nashville from Brush Creek, Ky., to La Follette, Tenn., along the Cumberland Valley division from Corbin, Ky., to Cumberland Gap, Tenn., and up the Benham Branch as far as Ages, Ky. The St. Charles and Appalachia mines

one, and, although there have been several companies which have attempted to operate lines of steamers from the banana fields to Galveston since the year 1888, when the first attempt was made, most of them were but short lived, and none of them met with anything but the most indifferent success until the United Fruit Company began to operate its boats into Galveston in June, 1912; and the success of this company has apparently been due largely to other circumstances.

It was testified that the United Fruit Company controls more than one-half of the bananas imported into this country and operates lines of steamers to many of the principal Atlantic ports, as well as to New Orleans and Galveston. Its business from Galveston consists largely of traffic that was formerly handled via New Orleans, which, apparently, it has found can be handled more advantageously from Galveston; and it is to these conditions as well, perhaps, as to the rate adjustment that the greater success which has attended its operations at Galveston than those of its predecessors can be attributed. It is apparent, however, that the rates from Galveston to the greater part of the territory to which rates are lower than to intermediate points have been reduced to meet the competition of bananas imported through New Orleans, and that the lines forming the routes from Galveston are at a substantial disadvantage in respect to the movement of this traffic and are entitled to some measure of relief from the long-and-short-haul provision of the fourth section.

To most of the territory east of the Missouri River to which petitioners carry lower rates than to intermediate points it has been shown that the distance via their routes from Galveston is greater than the distance via the lines from New Orleans, and while to some of the territory immediately east of the east bank of the Missouri River the distance from Galveston is less than from New Orleans, we believe that on the whole these carriers should be permitted to continue to carry rates to all points east of the east bank of the Missouri River the same as or made with relation to the rates from New Orleans, and to continue higher rates to intermediate points. To points on and west of the Missouri River, however, the direct lines from Galveston do not appear to be at any disadvantage in meeting the competition of the New Orleans lines on account of having circuitous routes, nor so far as it has been established by the record in this case on account of any other circumstances. The rates to these points from Galveston are made differentials under the rates from New Orleans, the rates to Kansas City and other points on the Missouri River north thereof being 5 cents per 100 pounds lower than the rates from New Orleans; for example, the rate to Kansas City from Galveston is 58 cents per 100 pounds, while from New Orleans it is 63 cents per 100 pounds. The rates to points west of the Missouri River are made 10

cents per 100 pounds lower than the rates from New Orleans; for example, the rate from Galveston to Topeka, Kans., is 70 cents, while the rate from New Orleans is 80 cents.

A number of reasons were offered by petitioners in justification of the differences in the rates from the two ports to this territory. It was testified that the differentials allowed Galveston were necessitated by reason of the disadvantage under which this traffic is handled at that port which, it was stated, was caused by a number of conditions, such as the greater distance of Galveston from the banana fields, the greater cost at Galveston of coal used as fuel by the banana steamers, the higher cost of labor for unloading the vessels, together with wharfage charges and other terminal expenses which vessels are not required to pay at New Orleans or if paid at that port are less than like charges at Galveston. These expenses it is claimed place Galveston at a great disadvantage, and that carriers are compelled to equalize these conditions by the absorption of loading, terminal, and wharfage charges so as to make the cost of these services to the importers no greater than would be incurred by them if the bananas were handled at New Orleans, and as a further inducement to the importers to use the port of Galveston, to establish rates to the Missouri River and points west thereof differentials under the rates from New Orleans so as to give them an advantage in disposing of their surplus bananas in this territory.

While petitioners asserted that the port, terminal, and other charges at Galveston are higher than at New Orleans, their information upon this subject and the other conditions which they state place the port of Galveston at a disadvantage, with rather indefinite, and but little testimony upon this point was introduced.

But whatever may be the disadvantages that Galveston is laboring under because of these conditions, it would appear that if the carriers relieve the importers of bananas of this expense by absorbing the charges at that port, this ought to make it a matter of indifference to them as to whether they use one port or the other, and further concessions in the shape of reduced freight rates would hardly seem to have been necessary because of the conditions referred to.

Without, however, taking the position that the rates from Galveston ought not to be less than from New Orleans to the Missouri River and points west thereof, we are unable to reach the conclusion from the record before us that the direct lines participating in this traffic are justified in charging rates from Galveston to Kansas City and other Missouri River points or to territory west thereof that are lower than rates to intermediate points, and the application to continue this practice will be denied.

What we have said in regard to the rates to points on and west of the Missouri River applies also to a great deal of the territory south of the Missouri River and west of the Mississippi. To a large part of this territory the lines from Galveston do not appear to be at any disadvantage in competing with the lines from New Orleans and are not therefore entitled to relief. From Kansas City to Lake Charles, La., the Kansas City Southern Railroad runs almost due south. It is fairly continuous with the dividing line formed by the Missouri River between the territory to which rates from Galveston are made the same as or higher than from New Orleans and the territory to which rates are made less from Galveston than from New Orleans. It also fairly marks the line of division between the territory south of Kansas City to which the distance from Galveston is less than from New Orleans and that to which the distance from New Orleans is less than from Galveston. To the territory east of this line the distance from Galveston is greater than from New Orleans, and carriers should be permitted to carry lower rates to points in this territory than to intermediate points in order to meet the competition created by the lines from New Orleans, but to points on and west of the line of the Kansas City Southern Railroad the direct lines from Galveston have not been shown to be at any disadvantage in competing with the lines from New Orleans and should not be permitted to charge higher rates to intermediate points than to points on and west of this line.

The rates from Galveston, as we have shown, generally increase with distance until just before reaching the Missouri River and then begin to grade downward, reaching the lowest level at the Mississippi River and points in Illinois immediately east thereof, as illustrated by the following statement of rates to representative points:

From Galveston to—	Rate.	Short line distance.	Routing.
Durant, Okla.....	62	414	Dallas and M., K. & T. Ry.
McAlester, Okla.....	55	490	Do.
Muskogee, Okla.....	55	552	Do.
Wagoner, Okla.....	62	568	Do.
Parsons, Kans.....	63	669	Do.
Kansas City, Mo.....	58	806	Do.
St. Louis, Mo.....	43	841	Texarkana and St. L., I. M. & S.
Springfield, Ill.....	51	939	St. Louis and C. & A. R. R.
Chicago, Ill.....	51	1,124	Do.
Indianapolis, Ind.....	51	1,007	Cairo, C., C., C. & St. L. Ry., and Vandalia R. R.

It will be observed that the highest rate shown at any intermediate point south of Kansas City in the above statement is 63 cents. All of these stations are intermediate on the direct route, which is over the following lines from Galveston: Galveston, Houston & Henderson Railroad to Houston; Trinity & Brazos Valley Railway to

Dallas; and thence Missouri, Kansas & Texas Railway to Kansas City, the total distance being 806 miles. This is not the highest rate carried to intermediate points, however. Some of the other lines that are more circuitous carry rates as high as 70 cents. This is also true of the Missouri, Kansas & Texas Railway in a few cases, but while the latter company states that it will reduce its rates so that none of them will exceed 62 cents, the other companies have made no proposal to correct their rates. This maximum rate is also carried by these other lines to stations but slightly more than one-half of the distance to the Missouri River. For example, the first station on the Chicago, Rock Island & Pacific Railway at which the rate is 70 cents is Sugden, Okla., 438 miles from Galveston. On the Atchison, Topeka & Santa Fe Railway, Daugherty, Okla., 470 miles from Galveston, and on the St. Louis & San Francisco Railroad, Fitzhugh, Okla., 459 miles from Galveston. These carriers, therefore, are asking leave to carry rates as high as 70 cents to points less than 500 miles from Galveston and lower rates to points from 300 to 500 miles farther distant. It is true that many of these rates are paper rates on which no business moves. Carriers are asking for authority to continue their publication, however, and to be allowed to apply such rates should business be obtained by them. It is the duty of the Commission, therefore, to pass upon their applications.

That the Galveston lines are entitled to some relief in respect to rates to points east of the Mississippi River which have been reduced to meet the competition from New Orleans is clearly apparent. We think, however, that such disparities between rates to intermediate points and those to more distant points as are shown to exist in these cases are too greatly out of proportion and ought not to be permitted.

The short-line distance from Galveston to Kansas City via Dallas and the Missouri, Kansas & Texas Railway is 806 miles. This company has signified its intention of charging no higher rate than 62 cents to any intermediate point, which includes practically all points within 800 miles of Galveston. The conditions affecting the transportation of like traffic via the more circuitous lines have not been shown to be different from those prevailing on the Missouri, Kansas & Texas Railway, nor is it urged by these petitioners that they are. We believe, therefore, that the maximum rate that this line is applying for authority to continue to intermediate points on its line ought not to be exceeded for substantially equal distances by the lines who may desire to compete with it at Kansas City and other points. We hold, therefore, in respect to the application of these Galveston lines for authority to continue lower rates to Kansas City and other Mis-

souri River points and points east thereof than to intermediate points, that the direct lines to the Missouri River should be denied authority to carry lower rates to the Missouri River than to intermediate points, and by direct lines we have reference to the short line from Galveston, and others that are less than 15 per cent longer than the short line. Carriers whose mileage exceeds that of the short line by not less than 15 per cent should be granted authority to meet the rates of the short line and to carry higher rates to intermediate points not less than 800 miles distant from Galveston.

Bananas in the western classification, which applies on this traffic, are classified as third class in carloads. The mileage scales of these carriers indicate that for distances of 500 miles and over the spread in the third-class rates for additional distances of 25 miles is generally not more than 2 cents per 100 pounds, and in some cases it is less. We do not believe that for distances of more than 800 miles the circuitous lines should charge more than $1\frac{1}{2}$ cents per 100 pounds for each additional 25 miles or fraction thereof, and permission to charge lower rates to Missouri River than to intermediate points will be granted on condition that rates to intermediate points 800 miles and less from Galveston shall not exceed 62 cents per 100 pounds, and to intermediate points of greater distances than 800 miles from Galveston shall not exceed the rate of 62 cents per 100 pounds by more than $1\frac{1}{2}$ cents per 100 pounds for each additional 25 miles or fraction thereof, and provided also that the present rates to these stations are not increased.

It is not to be understood that in fixing 62 cents per 100 pounds as the maximum rate to be charged to stations on indirect lines not more than 800 miles from Galveston, the Commission regards this as a reasonable maximum rate to intermediate points substantially less distant. All we hold is that so long as the indirect lines maintain lower rates to the Missouri River and points beyond, this rate must not be exceeded at stations not more than 800 miles from Galveston.

The departures that occur on individual lines west of the Missouri River and on and west of the line of the Kansas City Southern Railway are of two classes: (1) Where rates to certain points are made less than to intermediate points for the purpose of maintaining a differential between the rates from Galveston and New Orleans, and (2) where rates to more distant points have been reduced to meet the competition of more direct lines.

In the first class of cases we have held that these carriers are at no disadvantage in competing with lines from New Orleans into this territory and that relief in all such cases should be denied. In the second class of cases we are of the opinion that where the circuitous

are paid by the consignees. It is apparent therefore that the rates from Galveston can not exceed very much, if at all, the rates from New Orleans, or Galveston must lose much of the business that is now moving through that port.

It was suggested by the petitioners that the distance from the banana fields to Galveston is greater than to New Orleans, and that this gives the latter port an advantage over the former in the importation of this traffic. While no testimony in support of this contention was introduced, it was shown that the distance by rail from Galveston to a large portion of the territory of distribution served by these two ports is greater than the distance from New Orleans. Bananas moving through Galveston must therefore be hauled a greater distance to many points involved herein than if moved through New Orleans. This is true of most of the territory lying east of the Missouri River, as shown by the following comparative statement of distances to representative points.

To—	Galveston, Tex.	New Or- leans, La.	To—	Galveston, Tex.	New Or- leans, La.
	<i>Miles.</i>	<i>Miles.</i>		<i>Miles.</i>	<i>Miles.</i>
Moberly, Mo.....	904	809	St. Louis, Mo.....	841	718
Ottumwa, Iowa.....	1,017	966	Memphis, Tenn.....	599	396
Albert Lea, Minn.....	1,304	1,178	Chicago, Ill.....	1,124	930
St. Paul, Minn.....	1,406	1,297	Springfield, Ill.....	939	820
Dubuque, Iowa.....	1,187	1,023	Bloomington, Ill.....	998	816
Davenport, Iowa.....	1,092	953			

NOTE.—These are the short-line distances. The mileage via Missouri River points will in many instances be greater.

It is apparent, therefore, that Galveston is at a disadvantage, as compared with New Orleans, as a port of entry for bananas distributed in this territory, in which, it was testified, are situated the principal markets of consumption of this fruit in the United States, including the important cities of Chicago and St. Louis.

There are more bananas imported through New Orleans than through any other port in the United States. Its receipts for the year ending June 30, 1912, as compared with the receipts at Galveston for the same period, were as follows: New Orleans, 14,796,120 bunches; and Galveston, 642,671 bunches.

It is probable that the latest statistics, which are not available, will show a substantial increase in the receipts at Galveston, due to the inauguration of the service of the United Fruit Company, which, as previously stated, has diverted some of its business which was formerly handled at New Orleans to Galveston. Even with this increase, however, Galveston as a port of entry for bananas is of little importance as compared with New Orleans.

The record in this case shows that under the present adjustment of rates from Galveston the business has been by no means a profitable

cisco Railroad; and Missouri, Kansas & Texas Railway, carry higher rates, with a few exceptions, to all points on their lines north of the Texas-Oklahoma state line, the rates to such points ranging from 62 to 70 cents per 100 pounds.

The Kansas City Southern Railway, which lies farther east, also carries higher rates to intermediate points, but the rates to points on this line do not begin to exceed the rates to Kansas City until a greater distance from Galveston has been reached. The rates at such points also vary from 62 to 70 cents. To points east of the Missouri River the rates are in many instances lower than to points on the river; for example, the rate to St. Louis is 43 cents per 100 pounds, and to Mississippi River points north thereof the rates range from 48 cents at Hannibal to 56 cents at Dubuque. To Peoria, Springfield, Chicago, and other points in Illinois the rate is 51 cents, and the same rate applies to Indianapolis and in general to points in western Indiana. The rates to points east of Indianapolis and north of the Ohio River grade upward again until at Springfield and Columbus, Ohio, the rate is the same as to Kansas City, while to Toledo and Detroit it is 60 cents per 100 pounds. It will be seen, therefore, that the rates from Galveston are highest to points in northern Oklahoma and southern Kansas and begin to grade downward just before reaching Kansas City, reaching their lowest level at points on and in the vicinity of the Mississippi River in Illinois and in western and southern Indiana, and then grade upward again as the distance from Galveston increases.

In explanation of this adjustment carriers assert that these rates were established in order to place Galveston on a parity with New Orleans as a port of entry for the importation and distribution of bananas. Witness for petitioners testified that bananas were first imported in any quantity through Galveston in 1888.

At that time the importation of bananas through New Orleans had been carried on for several years. The business had become one of large and growing importance. Freight rates had been established and adjusted to the needs of the traffic and the competition of bananas imported through the Atlantic ports equalized at the Ohio River crossings, Chicago, Ill., and other important cities in the middle west.

It was at once apparent that the successful establishment of Galveston as a port of entry for the distribution of bananas would depend largely upon the ability of the importers of Galveston to compete with those of New Orleans, and this would require the adjustment of rates from Galveston with relation to those in effect from New Orleans, so as to place them as nearly as possible on an equality with the New Orleans rates.

With this end in view the Galveston carriers concluded to establish rates from Galveston on the following basis:

To points east of the Mississippi River the rates from Galveston to be 10 cents per 100 pounds higher than from New Orleans, provided not in excess of the combination on Mississippi River crossings.

To Mississippi River points, including those on both banks, Galveston to be 5 cents per 100 pounds higher than from New Orleans.

To points west of the Mississippi River and east of the Missouri River, also points in Missouri south of the Missouri River, and points in the state of Arkansas, the rates from Galveston to be the same as from New Orleans.

To Missouri River points, Kansas City, and north, including those on both banks, the rates from Galveston to be 5 cents per 100 pounds less than from New Orleans.

To points west of the Missouri River and north of Texas, including Oklahoma, the rates from Galveston to be 10 cents per 100 pounds less than from New Orleans.

The rates on coconuts and pineapples, carloads, to be the same amount higher or lower than banana rates, as obtained on shipments from New Orleans.

Rates established on this basis remained in effect almost continuously and practically without change until August 1, 1912, when this basis was displaced by the present one.

The rates on bananas from New Orleans on which the rates from Galveston are based grade up generally as the distance from New Orleans increases. The Illinois Central Railroad, whose line extends almost due north from New Orleans through Cairo to Chicago, appears to have been the controlling factor in the establishment of these rates. The rates of this company increase as its line proceeds northward from New Orleans. Thus at Memphis the rate per 100 pounds is 35 cents; at Cairo, 39 cents; St. Louis, 43 cents; Chicago, 46 cents; and St. Paul, Minnesota, 68 cents. The location of these points, it will be observed, conforms closely to the course of the Mississippi River and the Illinois Central Railroad to Chicago. East of the line of the Illinois Central the rates grade upward, and west of the Mississippi River they also increase with distance. Therefore, when the carriers at Galveston came to consider what rates it would be necessary to establish to induce the banana importers to use Galveston as a port of entry, they found that they would be compelled, in order to equalize the rates from New Orleans, to establish lower rates to the more distant points along the Mississippi River and the line of the Illinois Central Railroad between Cairo and Chicago and points in close proximity thereto than they would be required to establish to Kansas City and points farther west, although the traffic to the more distant points would, in practically all instances, be routed through Kansas City and other points west of the Mississippi River, and it is this that has led to the establishment of lower rates to points east of Kansas City than are in

effect to Kansas City and points south thereof in the states of Kansas, Oklahoma, Missouri, and Arkansas, and to the apparently anomalous and unusual condition of rates grading downward for a considerable distance, at least, as the mileage increases, rather than increasing as ordinarily would be the case.

During February and March, 1911, further demands were made by the Galveston importers upon the carriers for a readjustment of rates, it being claimed that under the existing adjustment the Galveston dealers were at a disadvantage in developing their business on account of the more favorable rates enjoyed by the New Orleans importers into the central western states. It appears, also, that at or about this time, negotiations were commenced between Galveston lines and the Fruit Dispatch Company, which appears to be the sales and distributing agent of the United Fruit Company, concerning the use of Galveston by that company as a port for the distribution of some of its business. It does not appear which of the parties began the negotiations. The United Fruit Company had been for several years handling its business through the port of New Orleans and doubtless considered that it would be more advantageous to distribute bananas from Galveston into that portion of the southwest more naturally tributary to Galveston than to continue to serve that territory from New Orleans. As to exactly what their purpose was, the record does not show.

It was testified that before arranging to use the port of Galveston, the fruit company demanded certain concessions from the Galveston lines, consisting of certain changes in the rate adjustment and the equalization of port charges at Galveston with those prevailing at New Orleans, to which the Galveston lines consented; and as a result of this, the former basis of rates was modified in some respects. These changes consisted chiefly in making the rates to Mississippi River points, including those on both banks, the same as from New Orleans, instead of 5 cents per 100 pounds above New Orleans, as formerly; and rates to points in Illinois and Wisconsin 5 cents per 100 pounds above New Orleans instead of 10 cents, as formerly. The rates on this new basis were established August 1, 1912. The Fruit Dispatch Company began to import bananas through Galveston in June, 1912, and its importations have continued without interruption and in increasing volume since that time.

The bananas that are handled through New Orleans and Galveston originate in the same territory. They are grown in the countries of Mexico, South America, the West Indies, and other countries bordering on the Gulf of Mexico and the Caribbean Sea. They are sold at both points usually at the same price, which varies from \$0.90 to \$2.40 per 100 pounds, according to the season, and freight charges

are paid by the consignees. It is apparent therefore that the rates from Galveston can not exceed very much, if at all, the rates from New Orleans, or Galveston must lose much of the business that is now moving through that port.

It was suggested by the petitioners that the distance from the banana fields to Galveston is greater than to New Orleans, and that this gives the latter port an advantage over the former in the importation of this traffic. While no testimony in support of this contention was introduced, it was shown that the distance by rail from Galveston to a large portion of the territory of distribution served by these two ports is greater than the distance from New Orleans. Bananas moving through Galveston must therefore be hauled a greater distance to many points involved herein than if moved through New Orleans. This is true of most of the territory lying east of the Missouri River, as shown by the following comparative statement of distances to representative points.

To—	Galveston, Tex.	New Or- leans, La.	To—	Galveston, Tex.	New Or- leans, La.
	<i>Miles.</i>	<i>Miles.</i>		<i>Miles.</i>	<i>Miles.</i>
Moberly, Mo.....	904	809	St. Louis, Mo.....	841	718
Ottumwa, Iowa.....	1,017	966	Memphis, Tenn.....	599	396
Albert Lea, Minn.....	1,304	1,178	Chicago, Ill.....	1,124	930
St. Paul, Minn.....	1,406	1,297	Springfield, Ill.....	939	820
Dubuque, Iowa.....	1,187	1,023	Bloomington, Ill.....	998	816
Davenport, Iowa.....	1,092	953			

NOTE.—These are the short-line distances. The mileage via Missouri River points will in many instances be greater.

It is apparent, therefore, that Galveston is at a disadvantage, as compared with New Orleans, as a port of entry for bananas distributed in this territory, in which, it was testified, are situated the principal markets of consumption of this fruit in the United States, including the important cities of Chicago and St. Louis.

There are more bananas imported through New Orleans than through any other port in the United States. Its receipts for the year ending June 30, 1912, as compared with the receipts at Galveston for the same period, were as follows: New Orleans, 14,796,120 bunches; and Galveston, 642,671 bunches.

It is probable that the latest statistics, which are not available, will show a substantial increase in the receipts at Galveston, due to the inauguration of the service of the United Fruit Company, which, as previously stated, has diverted some of its business which was formerly handled at New Orleans to Galveston. Even with this increase, however, Galveston as a port of entry for bananas is of little importance as compared with New Orleans.

The record in this case shows that under the present adjustment of rates from Galveston the business has been by no means a profitable

one, and, although there have been several companies which have attempted to operate lines of steamers from the banana fields to Galveston since the year 1888, when the first attempt was made, most of them were but short lived, and none of them met with anything but the most indifferent success until the United Fruit Company began to operate its boats into Galveston in June, 1912; and the success of this company has apparently been due largely to other circumstances.

It was testified that the United Fruit Company controls more than one-half of the bananas imported into this country and operates lines of steamers to many of the principal Atlantic ports, as well as to New Orleans and Galveston. Its business from Galveston consists largely of traffic that was formerly handled via New Orleans, which, apparently, it has found can be handled more advantageously from Galveston; and it is to these conditions as well, perhaps, as to the rate adjustment that the greater success which has attended its operations at Galveston than those of its predecessors can be attributed. It is apparent, however, that the rates from Galveston to the greater part of the territory to which rates are lower than to intermediate points have been reduced to meet the competition of bananas imported through New Orleans, and that the lines forming the routes from Galveston are at a substantial disadvantage in respect to the movement of this traffic and are entitled to some measure of relief from the long-and-short-haul provision of the fourth section.

To most of the territory east of the Missouri River to which petitioners carry lower rates than to intermediate points it has been shown that the distance via their routes from Galveston is greater than the distance via the lines from New Orleans, and while to some of the territory immediately east of the east bank of the Missouri River the distance from Galveston is less than from New Orleans, we believe that on the whole these carriers should be permitted to continue to carry rates to all points east of the east bank of the Missouri River the same as or made with relation to the rates from New Orleans, and to continue higher rates to intermediate points. To points on and west of the Missouri River, however, the direct lines from Galveston do not appear to be at any disadvantage in meeting the competition of the New Orleans lines on account of having circuitous routes, nor so far as it has been established by the record in this case on account of any other circumstances. The rates to these points from Galveston are made differentials under the rates from New Orleans, the rates to Kansas City and other points on the Missouri River north thereof being 5 cents per 100 pounds lower than the rates from New Orleans; for example, the rate to Kansas City from Galveston is 58 cents per 100 pounds, while from New Orleans it is 63 cents per 100 pounds. The rates to points west of the Missouri River are made 10

cents per 100 pounds lower than the rates from New Orleans; for example, the rate from Galveston to Topeka, Kans., is 70 cents, while the rate from New Orleans is 80 cents.

A number of reasons were offered by petitioners in justification of the differences in the rates from the two ports to this territory. It was testified that the differentials allowed Galveston were necessitated by reason of the disadvantage under which this traffic is handled at that port which, it was stated, was caused by a number of conditions, such as the greater distance of Galveston from the banana fields, the greater cost at Galveston of coal used as fuel by the banana steamers, the higher cost of labor for unloading the vessels, together with wharfage charges and other terminal expenses which vessels are not required to pay at New Orleans or if paid at that port are less than like charges at Galveston. These expenses it is claimed place Galveston at a great disadvantage, and that carriers are compelled to equalize these conditions by the absorption of loading, terminal, and wharfage charges so as to make the cost of these services to the importers no greater than would be incurred by them if the bananas were handled at New Orleans, and as a further inducement to the importers to use the port of Galveston, to establish rates to the Missouri River and points west thereof differentials under the rates from New Orleans so as to give them an advantage in disposing of their surplus bananas in this territory.

While petitioners asserted that the port, terminal, and other charges at Galveston are higher than at New Orleans, their information upon this subject and the other conditions which they state place the port of Galveston at a disadvantage, with rather indefinite, and but little testimony upon this point was introduced.

But whatever may be the disadvantages that Galveston is laboring under because of these conditions, it would appear that if the carriers relieve the importers of bananas of this expense by absorbing the charges at that port, this ought to make it a matter of indifference to them as to whether they use one port or the other, and further concessions in the shape of reduced freight rates would hardly seem to have been necessary because of the conditions referred to.

Without, however, taking the position that the rates from Galveston ought not to be less than from New Orleans to the Missouri River and points west thereof, we are unable to reach the conclusion from the record before us that the direct lines participating in this traffic are justified in charging rates from Galveston to Kansas City and other Missouri River points or to territory west thereof that are lower than rates to intermediate points, and the application to continue this practice will be denied.

What we have said in regard to the rates to points on and west of the Missouri River applies also to a great deal of the territory south of the Missouri River and west of the Mississippi. To a large part of this territory the lines from Galveston do not appear to be at any disadvantage in competing with the lines from New Orleans and are not therefore entitled to relief. From Kansas City to Lake Charles, La., the Kansas City Southern Railroad runs almost due south. It is fairly continuous with the dividing line formed by the Missouri River between the territory to which rates from Galveston are made the same as or higher than from New Orleans and the territory to which rates are made less from Galveston than from New Orleans. It also fairly marks the line of division between the territory south of Kansas City to which the distance from Galveston is less than from New Orleans and that to which the distance from New Orleans is less than from Galveston. To the territory east of this line the distance from Galveston is greater than from New Orleans, and carriers should be permitted to carry lower rates to points in this territory than to intermediate points in order to meet the competition created by the lines from New Orleans, but to points on and west of the line of the Kansas City Southern Railroad the direct lines from Galveston have not been shown to be at any disadvantage in competing with the lines from New Orleans and should not be permitted to charge higher rates to intermediate points than to points on and west of this line.

The rates from Galveston, as we have shown, generally increase with distance until just before reaching the Missouri River and then begin to grade downward, reaching the lowest level at the Mississippi River and points in Illinois immediately east thereof, as illustrated by the following statement of rates to representative points:

From Galveston to—	Rate.	Short line distance.	Routing.
Durant, Okla.....	62	414	Dallas and M., K. & T. Ry.
McAlester, Okla.....	55	490	Do.
Muskogee, Okla.....	55	552	Do.
Wagoner, Okla.....	62	568	Do.
Parsons, Kans.....	63	669	Do.
Kansas City, Mo.....	58	806	Do.
St. Louis, Mo.....	43	841	Texarkana and St. L., I. M. & S.
Springfield, Ill.....	51	939	St. Louis and C. & A. R. R.
Chicago, Ill.....	51	1,124	Do.
Indianapolis, Ind.....	51	1,007	Cairo, C., C., C. & St. L. Ry., and Vandalia R. R.

It will be observed that the highest rate shown at any intermediate point south of Kansas City in the above statement is 63 cents. All of these stations are intermediate on the direct route, which is over the following lines from Galveston: Galveston, Houston & Henderson Railroad to Houston; Trinity & Brazos Valley Railway to

Dallas; and thence Missouri, Kansas & Texas Railway to Kansas City, the total distance being 806 miles. This is not the highest rate carried to intermediate points, however. Some of the other lines that are more circuitous carry rates as high as 70 cents. This is also true of the Missouri, Kansas & Texas Railway in a few cases, but while the latter company states that it will reduce its rates so that none of them will exceed 62 cents, the other companies have made no proposal to correct their rates. This maximum rate is also carried by these other lines to stations but slightly more than one-half of the distance to the Missouri River. For example, the first station on the Chicago, Rock Island & Pacific Railway at which the rate is 70 cents is Sugden, Okla., 438 miles from Galveston. On the Atchison, Topeka & Santa Fe Railway, Daugherty, Okla., 470 miles from Galveston, and on the St. Louis & San Francisco Railroad, Fitzhugh, Okla., 459 miles from Galveston. These carriers, therefore, are asking leave to carry rates as high as 70 cents to points less than 500 miles from Galveston and lower rates to points from 300 to 500 miles farther distant. It is true that many of these rates are paper rates on which no business moves. Carriers are asking for authority to continue their publication, however, and to be allowed to apply such rates should business be obtained by them. It is the duty of the Commission, therefore, to pass upon their applications.

That the Galveston lines are entitled to some relief in respect to rates to points east of the Mississippi River which have been reduced to meet the competition from New Orleans is clearly apparent. We think, however, that such disparities between rates to intermediate points and those to more distant points as are shown to exist in these cases are too greatly out of proportion and ought not to be permitted.

The short-line distance from Galveston to Kansas City via Dallas and the Missouri, Kansas & Texas Railway is 806 miles. This company has signified its intention of charging no higher rate than 62 cents to any intermediate point, which includes practically all points within 800 miles of Galveston. The conditions affecting the transportation of like traffic via the more circuitous lines have not been shown to be different from those prevailing on the Missouri, Kansas & Texas Railway, nor is it urged by these petitioners that they are. We believe, therefore, that the maximum rate that this line is applying for authority to continue to intermediate points on its line ought not to be exceeded for substantially equal distances by the lines who may desire to compete with it at Kansas City and other points. We hold, therefore, in respect to the application of these Galveston lines for authority to continue lower rates to Kansas City and other Mis-

souri River points and points east thereof than to intermediate points, that the direct lines to the Missouri River should be denied authority to carry lower rates to the Missouri River than to intermediate points, and by direct lines we have reference to the short line from Galveston, and others that are less than 15 per cent longer than the short line. Carriers whose mileage exceeds that of the short line by not less than 15 per cent should be granted authority to meet the rates of the short line and to carry higher rates to intermediate points not less than 800 miles distant from Galveston.

Bananas in the western classification, which applies on this traffic, are classified as third class in carloads. The mileage scales of these carriers indicate that for distances of 500 miles and over the spread in the third-class rates for additional distances of 25 miles is generally not more than 2 cents per 100 pounds, and in some cases it is less. We do not believe that for distances of more than 800 miles the circuitous lines should charge more than $1\frac{1}{2}$ cents per 100 pounds for each additional 25 miles or fraction thereof, and permission to charge lower rates to Missouri River than to intermediate points will be granted on condition that rates to intermediate points 800 miles and less from Galveston shall not exceed 62 cents per 100 pounds, and to intermediate points of greater distances than 800 miles from Galveston shall not exceed the rate of 62 cents per 100 pounds by more than $1\frac{1}{2}$ cents per 100 pounds for each additional 25 miles or fraction thereof, and provided also that the present rates to these stations are not increased.

It is not to be understood that in fixing 62 cents per 100 pounds as the maximum rate to be charged to stations on indirect lines not more than 800 miles from Galveston, the Commission regards this as a reasonable maximum rate to intermediate points substantially less distant. All we hold is that so long as the indirect lines maintain lower rates to the Missouri River and points beyond, this rate must not be exceeded at stations not more than 800 miles from Galveston.

The departures that occur on individual lines west of the Missouri River and on and west of the line of the Kansas City Southern Railway are of two classes: (1) Where rates to certain points are made less than to intermediate points for the purpose of maintaining a differential between the rates from Galveston and New Orleans, and (2) where rates to more distant points have been reduced to meet the competition of more direct lines.

In the first class of cases we have held that these carriers are at no disadvantage in competing with lines from New Orleans into this territory and that relief in all such cases should be denied. In the second class of cases we are of the opinion that where the circuitous

lines are 15 per cent longer than the short lines relief should be granted.

The rates on tropical fruits from New Orleans and related points referred to in application No. 2176 to points west of the Mississippi River that do not conform to the fourth section have been brought about by reductions made at more distant points to meet the competition of more direct lines. These occur principally in the rates of lines which run west of the Mississippi River to points on and east of the river. This is well illustrated in the case of the rate on bananas of the St. Louis, Iron Mountain & Southern Railway in connection with the Texas & Pacific Railway from New Orleans to Memphis, Tenn. The rate to this point from New Orleans on bananas is 35 cents, made by the direct line of the Illinois Central Railroad, which runs almost due north on the east side of the Mississippi River, a distance of 396 miles. Traffic destined to Memphis, Tenn., via St. Louis, Iron Mountain & Southern would move west from New Orleans via Texas & Pacific to Ferriday, La., and thence via St. Louis, Iron Mountain & Southern, a distance of 497 miles. Occasionally, however, during the spring this line is more or less under water and when this occurs the traffic must be routed via Alexandria, La., the distance via this line being 529 miles. Rates to intermediate points on these indirect lines appear, as a rule, to bear a reasonable relation to the rates to more distant points, and we think that they should be granted the same relief that we have recommended in respect to the circuitous lines from Galveston—that is, that they may be allowed to continue higher rates to intermediate points than to more distant points in those instances where their lines are not less than 15 per cent longer than the short line between the same points.

There are a number of instances where both the rates from New Orleans and Galveston are lower to more distant points than to intermediate points, due to the fact that commodity rates have been established to the more distant points, but have not been established to the intermediate points there not having been any movement of traffic to intermediate points, and no necessity therefore for the establishment of commodity rates. This is no justification for charging higher rates to the intermediate points. Rule 77 of Tariff Circular No. 18-A was designed to cover such cases and be expected to correct all departures from the fourth character either by the use of this rule or in some other harmony with the tariff regulations of the Commission.

The disparities between the rates on coconuts to the points and the intermediate points on and reached via the petitioners herein appear in the majority of cases than those existing in the rates on bananas.

The following statement shows the rates, in cents per 100 pounds, from Galveston to Kansas City and the highest rates to intermediate points:

Via—	To Kansas City.	To intermediate points.
Chicago, Rock Island & Pacific Railway.....	40	69
Atchison, Topeka & Santa Fe Railway.....	40	65
St. Louis & San Francisco Railroad.....	40	64
Missouri, Kansas & Texas Railway.....	40	64
Kansas City Southern Railway.....	40	45

Coconuts are classified in western classification at fourth class, while bananas take third class; ordinarily therefore the rates on the former are lower than on the latter as might be expected, considering the characteristics of the two commodities, and examination of the tariffs of the petitioners shows that this is generally the case in respect to the rates involved herein. There are some instances, however, where the rates are the same and others where the difference between the rates on each is but slight.

The same measure of relief will be granted in respect to rates on coconuts as on bananas, but where 62 cents per 100 pounds is prescribed as the maximum rate that may be charged on bananas from Galveston, Tex., to points on indirect lines intermediate to Kansas City not more than 800 miles from Galveston, we find that the rate on coconuts should not exceed 45 cents per 100 pounds, and that the amounts added to this rate for transportation to points of greater distance should not be greater than the amounts added for the transportation of bananas as provided herein, namely, 1½ cents per 100 pounds for each additional 25 miles or fraction thereof.

Fourth section orders will be issued granting relief in accordance with the findings herein made, and all other relief prayed for in the said application in respect to the rates referred to will be denied, effective September 15, 1914.

Tariffs containing rates revised in accordance with this report should give statutory notice and should therefore be filed with the Commission not later than August 16, 1914.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 321.
COAL RATES FROM VIRGINIA MINES.

Submitted March 12, 1914. Decided June 13, 1914.

1. The rates on coal from the mines in the St. Charles, Va., group to points north of the Ohio River within 400 miles from St. Charles should not exceed the rates from the Middlesboro-Jellico group to said destinations by more than 10 cents per ton; beyond that the differential should decrease not less than 1 cent for each additional 100 miles.
2. The rates on coal from the mines in the Appalachia group and the mines at Benham, Ky., should not exceed the rates from the Middlesboro-Jellico group to points north of the Ohio River by greater amounts than the present differentials, provided that the differentials of Appalachia over Middlesboro-Jellico should in no case be less than the differentials of St. Charles over Middlesboro-Jellico.
3. The prescribed differentials being maxima, the carriers are at liberty to establish smaller ones whenever commercial conditions may so require.
4. Respondents required to cancel rates exceeding those prescribed in the report, but suspension order vacated as to all other rates named in the tariff under suspension.

R. T. Irvine for Black Mountain Mining Company, Incorporated.

W. A. Colston for Louisville & Nashville Railroad Company.

D. P. Connell for New York Central lines.

REPORT OF THE COMMISSION.

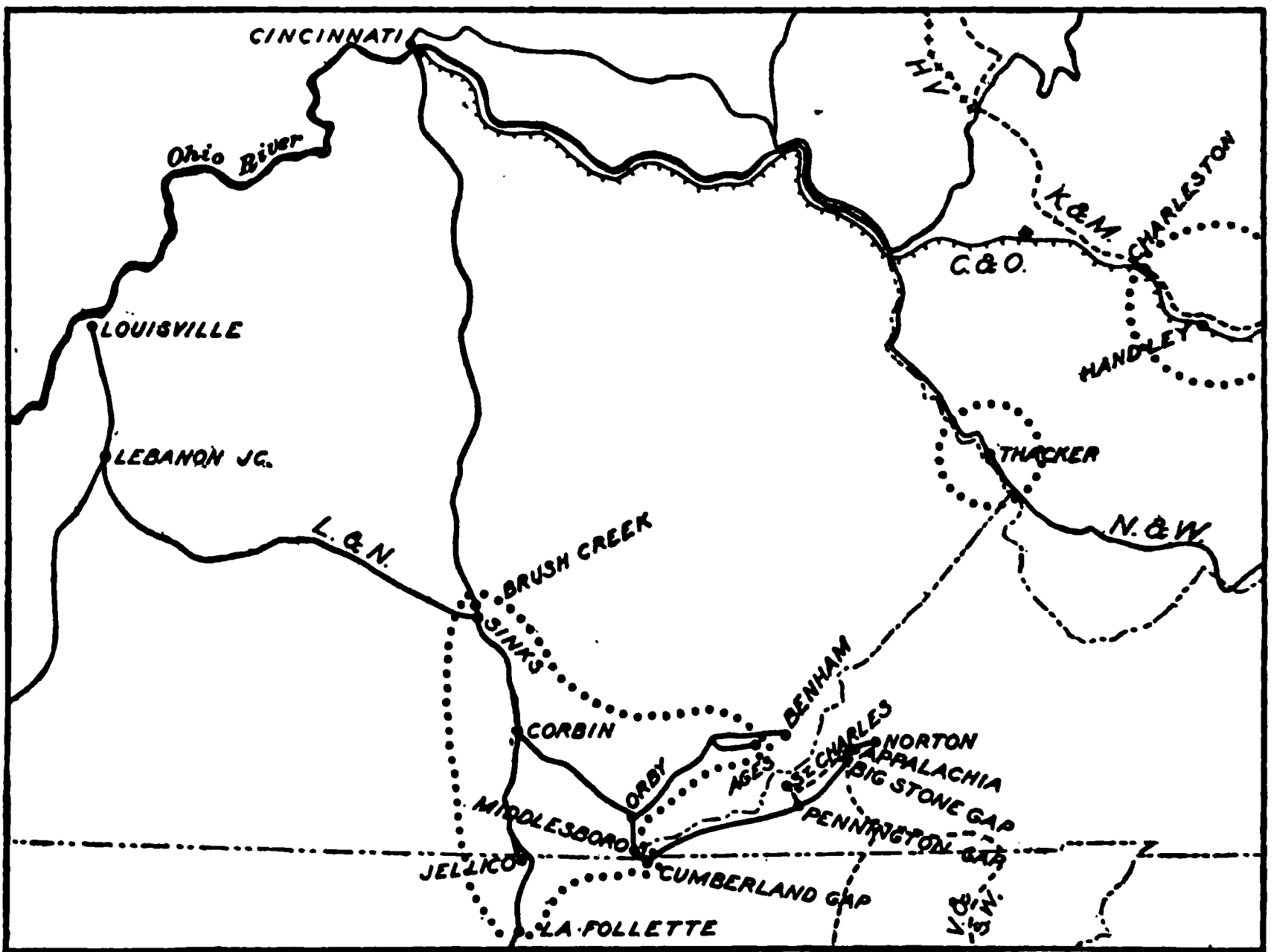
MEYER, Commissioner:

This proceeding concerns the relationship, in rates on coal to points north of the Ohio River, of the St. Charles, or Black Mountain group of mines, and the Appalachia group in southwestern Virginia, the mines at Benham, Ky., and the Middlesboro-Jellico group in southeastern Kentucky and northern Tennessee, all of which are served by the Louisville & Nashville Railroad.

Preliminary to our consideration of the situation proposed in the tariff under suspension and of the arguments advanced by respondents and protestants we call attention to the accompanying map, which shows the location of the coal fields herein involved.

It will be noted that the Middlesboro-Jellico district extends along the main line of the Louisville & Nashville from Brush Creek, Ky., to La Follette, Tenn., along the Cumberland Valley division from Corbin, Ky., to Cumberland Gap, Tenn., and up the Benham Branch as far as Ages, Ky. The St. Charles and Appalachia mines

are served by that portion of the Cumberland Valley division which is east of Middlesboro. From Pennington, Va., a point on this division 44 miles east of Middlesboro, a branch of the Louisville & Nashville extends northward about 3 miles to Pocket, Va., where it connects with the Virginia & Southwestern, now owned and controlled by the Southern Railway. From this point the Louisville & Nashville reaches the mines at and in the vicinity of St. Charles over the rails of the Virginia & Southwestern. The St. Charles district comprises a pocket in the mountains and is in fact generally known as "The Pocket." The mines are located on the eastern slope of Little Black Mountain, which is part of the highest ridge of the mountain



range between Kentucky and Virginia. Another ridge of this mountain range, locally known as Stone Mountain, lies between the St. Charles mines and the main line of the Louisville & Nashville at Pennington. The line from Pennington to Middlesboro runs along the southeastern side of the mountains as far as Cumberland Gap, where it crosses to the northwestern side. The Appalachia district extends from Big Stone Gap, Va., to Norton, Va., inclusive. The St. Charles and Appalachia districts are drained by branches of the Tennessee River. The mines at Ages are on the side of Little Black Mountain opposite from the St. Charles mines, a distance across the mountain of 10 or 12 miles. The district traversed by the Benham

branch, however, is drained by the Cumberland River and its branches. The operating conditions on the Benham branch are much more favorable than on the line from St. Charles to Middlesboro. The map also shows the location of the Kanawha and Thacker fields in West Virginia on the lines of the Chesapeake & Ohio and the Norfolk & Western, respectively. Handley, W. Va., is approximately the center of the former field and Thacker, W. Va., of the latter field. The distance from Brush Creek to Cincinnati is 147 miles, from La Follette 238 miles, from Middlesboro 231 miles, from Ages 267 miles, from St. Charles 279 miles, from Appalachia 294 miles, and from Benham 279 miles. The distance to Louisville is in each case 15 miles less than to Cincinnati.

The mines in the Middlesboro-Jellico district take the same rates to points north of the Ohio River. To points south of the river this group is subdivided, the mines nearer the destinations taking lower rates than those more distant. Effective November 22, 1904, rates were published by the Louisville & Nashville Railroad Company from the St. Charles district to destinations south of the Ohio River. These were 20 cents higher than the rates in effect from Middlesboro. Effective March 19, 1906, rates were established from the St. Charles district to destinations south of the Ohio River which were 5 cents above the rates from mines at and near La Follette, Tenn., 10 cents above the rates from mines at and near Middlesboro, Ky., and Jellico, Tenn., and 20 cents above the rates from mines near Sinks, Ky. This relationship has been maintained to the present. Prior to April 1, 1906, no through joint rates were published from the St. Charles district to points north of the Ohio River. In a tariff effective that date the St. Charles district was placed on the Middlesboro-Jellico basis to points north of the Ohio and has ever since been maintained upon that basis. The rates from the Appalachia and Benham mines to the same destinations are from 10 to 25 cents per ton higher than the rates from the St. Charles and Middlesboro-Jellico mines.

In the tariff under suspension the rates from the St. Charles mines to a large number of destinations north of the Ohio are from 1 to 30 cents higher than from the Middlesboro-Jellico group. To a large number of other destinations the St. Charles mines are maintained upon the Middlesboro-Jellico basis. Wherever a differential is established between the rates from the St. Charles and the Middlesboro-Jellico mines it is effected by a reduction in the rates from the latter group of mines. The tariff also contains some reductions in rates from the St. Charles and Appalachia mines, but wherever these occur greater reductions are made in rates to the same destinations from the Middlesboro-Jellico group. In the tariff under suspension the

rates from the Appalachia district, with very few exceptions, bear the same relation to the rates from the St. Charles mines as in the tariff at present in effect, but the spread between the Appalachia and the Middlesboro-Jellico rates is increased wherever a differential is established between the latter group and the St. Charles mines. The rates from Benham, while in many instances the same as those from the Appalachia mines, are in a great number of cases fixed at varying amounts below the Appalachia mines, and are in all cases a little higher than the rates from the Middlesboro-Jellico group. Whatever changes have been made in the Benham rates are reductions and in some instances they are below the rates proposed from the St. Charles mines in the tariff under suspension. The suspended tariff names over 8,000 rates, of which 1,362 are to points to which none are at present in effect from the mines herein involved. In only a few instances does it contain rate increases. These, it was testified, were unintentional, and were withdrawn at the opening of the hearing.

In Louisville & Nashville Railroad Coal and Coke Rates, 26 I. C. C., 20, were involved rates from the same points of origin to the same destinations, with the exception of the destinations added in the tariff now under consideration, as in the present proceeding. In the former case the Louisville & Nashville Railroad Company attempted to increase the rates on coal to points on and north of the Ohio River 25 cents per ton from the St. Charles district and from 15 to 25 cents per ton, averaging 20 cents, from the Appalachia district. There were also involved increases in rates on coal from the St. Charles and Appalachia districts to points on and south of the Ohio River, and on coke from the Appalachia district, which are not involved in the present proceeding. All of these increases were disallowed and respondents were required to maintain the then existing rates for the statutory period. The record in the case above referred to was by stipulation made a part of the record in the present proceeding. While in the present case respondent's proposal is to decrease the Middlesboro-Jellico group rates as distinguished from the attempt in the former case to increase the St. Charles and Appalachia rates, the ground upon which it is sought to justify the present proposal is largely the same as that advanced in support of the former, namely, that the St. Charles and Appalachia mines are so located with respect to distance and operating conditions as to justify a substantial differential in rates over the Middlesboro-Jellico group.

The establishment of a differential between the rates from the St. Charles mines and rates from the Middlesboro-Jellico group to destinations north of the Ohio River was protested by the operators in the St. Charles district. The Appalachia operators who were parties to the former case, *Louisville & Nashville Railroad Coal and Coke*

Rates, supra, are not parties to the present proceeding. The entire burden of the defense was assumed by the Louisville & Nashville Railroad (hereinafter referred to as the respondent), although the rates are published jointly by that carrier and the lines north of the Ohio River.

Attention has already been called to the fact that the changes proposed in the tariff under suspension, if permitted, will not effect a uniform differential between the St. Charles group and the Middlesboro-Jellico group in rates to points north of the Ohio River. In fact, we find that absolutely no uniformity is observed in fixing the differential, St. Charles over Middlesboro. The rates from the St. Charles mines to points on and south of the Ohio River are not involved in the tariff under suspension, and will of course remain 10 cents over the rates from Middlesboro. Respondent states that it was its purpose to increase this differential, but that it was prevented from doing so by our order in the former case. To many points immediately north of the river no differential has been established between St. Charles and Middlesboro; to other points farther north, sometimes on the same line of railroad, a differential is proposed; in some instances, to points still farther north, Middlesboro and St. Charles are left on the same basis, and so on up through Illinois into Wisconsin and up through Indiana and Ohio into Michigan.

At the hearing it was stated that it was the purpose of the respondent to fix rates from the Middlesboro-Jellico group to points west of the Illinois-Indiana state line and south of Chicago and Cook county junctions a little below, and to points east of the Illinois-Indiana state line upon an equality with those in effect from the Kanawha and Thacker fields. Upon careful examination of the tariff we find that to points to which no change has been made in the Middlesboro-Jellico rate this relationship with the Kanawha and Thacker fields quite uniformly exists. We give below a table which is representative of the rate relationship of the Middlesboro and St. Charles mines with the Kanawha mines in cases where no change has been made in the Middlesboro-Jellico rates. The Thacker field is in nearly all instances kept upon the same basis to points north of the Ohio River as the Kanawha field.

Rates to points to which no differential is proposed between the St. Charles and the Middlesboro-Jellico mines.

Destination.	Delivering line.	From—	
		Middle- boro-Jellico and St. Charles.	Kanawha.
East of Illinois-Indiana state line:			
Temperance, Mich.....	A. A.....	146	149
Owosso, Mich.....	A. A.....	181	180
Aurora, Ind.....	B. & O. S. W.....	130	130
Seymour, Ind.....	B. & O. S. W.....	155	150
Boysie City, Mich.....	B. C. G. & A.....	211	225
Muncie, Ind.....	C. I.....	161	155
Marion, Ind.....	C. & O. of Ind.....	156	155
Cressey, Mich.....	C. K. & S.....	190	190
Piqua, Ohio.....	C. H. & D.....	126	126
Tawas, Mich.....	D. & M.....	230	215
Cheboygan, Mich.....	D. & M.....	246	240
Sturgis, Mich.....	G. R. & I.....	170	170
West of Illinois-Indiana state line:			
Pontiac, Ill.....	C. & A.....	198	210
Alton, Ill.....	C. & A.....	220	225
Quincy, Ill.....	C. B. & Q.....	232	235
Girard, Ill.....	C. B. & Q.....	220	235
Medora, Ill.....	C. P. & St. L. of Ill.....	220	235
Springfield, Ill.....	C. H. & D.....	220	235
Mattoon, Ill.....	C. C. C. & St. L.....	195	210
Salem, Ill.....	I. S.....	230	235
Bloomington, Ill.....	L. E. & W.....	195	210

For comparative purposes we give below another table showing rates to points to which a differential is established between the St. Charles and Middlesboro-Jellico mines.

Rates to points to which it is proposed to establish a differential between the St. Charles and the Middlesboro-Jellico mines.

Destination.	Delivering line.	Present rate from Middles- boro- Jellico and St. Charles.	Proposed rate from—		Kanawha rate.
			St. Charles.	Middles- boro- Jellico.	
To points east of Illinois-Indiana state line:					
To	L. S. & M. S.	\$1.60	\$1.60	\$1.48	\$1.48
	Erie	1.35	1.35	1.26	1.25
to	B. & O. S. W.	1.45	1.45	1.40	1.45
	N. Y. C. & St. L.	1.90	1.90	1.65	1.90
	C. K. & S.	1.93	1.93	1.67	1.95
	D. & M.	2.15	2.15	2.14	2.16
	M. C.	1.76	1.76	1.58	1.80
	P. M.	2.17	2.17	2.10	2.10
	Wabash	1.98	1.98	1.90	1.90
	T. St. L. & W.	1.57	1.57	1.55	1.55
	P. C. C. & St. L.	1.65	1.75	1.50	1.65
	C. & E.	1.70	1.70	1.65	1.65
	G. T.	1.90	1.90	1.80	1.80
vary, ind.	I. H. B.		2.15	1.90	1.90
To points west of Illinois-Indiana state line:					
To	A. T. & S. F.	2.00	2.00	1.90	1.90
Joliet, Ill.	C. & A.	2.40	2.20	1.95	2.10
Peoria, Ill.	C. & E. I.		2.55	1.90	1.90
Wellington, Ill.	C. & E. I.		2.45	2.20	2.35
Benton, Ill.	C. & N. W.	2.75	2.75	2.70	
Rockford, Ill.	C. & W. V.	2.00	2.00	1.90	
Dunwiddie, Ill.	C. B. & Q.	2.50	2.50	2.30	
Baker, Ill.	C. G. W.	3.00	3.05	2.80	
Stockton, Ill.	C. I. & S.	2.10	2.10	1.95	2.10
Lehigh, Ill.	C. I. & L.	1.90	1.90	1.75	1.90
Frankfort, Ill.	C. I. & L.	1.75	1.75	1.50	1.75
Salem, Ill.	C. C. C. & St. L.	2.10	2.10	1.95	2.10
Essex, Ill.	Sou. Ry.		2.45	2.20	2.35
New Baden, Ill.	Wabash		2.20	1.95	2.10
Champaign, Ill.					

A glance at these two tables, which are representative of all the rates herein involved, would seem to show that the relationship which the Louisville & Nashville Railroad desires to establish between the Middlesboro-Jellico mines and the Kanawha and Thacker mines is 15 cents below the rates from the latter to points in Illinois, and approximately the same rates to points in Ohio, Michigan, and Indiana. It should be stated, however, that changes have been made in the rates from Middlesboro-Jellico mines to a large number of points in Illinois to which no rates are published from either the Kanawha or the Thacker field. The relationship, which respondent evidently desires to maintain, with the Kanawha and Thacker mines pertains, however, quite uniformly to points to which rates are published from those mines.

A comparison of the suspended rates with the rates from the Kanawha and Thacker mines suggests that the respondent has attempted to establish the relationship, described above, between the Middlesboro-Jellico mines and the Kanawha and Thacker mines in all cases where it does not already exist, and at a large number of new points to which rates are not carried from Middlesboro at the present time. In the former proceeding we held that no increase should be made in the rates from the St. Charles mines to the large number of destinations to which the rates from the Middlesboro-Jellico group, including the St. Charles mines, bear the relationship with the Kanawha and Thacker mines which respondent desires, and from this it would almost appear as though we were asked in the present proceeding to try over again the issues which were presented in the former. This point was strongly urged by protestants, who state that while the former proceeding was one of the reasonableness *per se* of proposed increases from the St. Charles mines and did not involve the exact matter before the Commission in the present case, the controversy was in spirit one of the relationship of these various competing fields, which is the point involved in the present controversy.

It is argued in protestants' behalf that, by the establishment and maintenance since 1906 of rates from the St. Charles mines no higher than from Middlesboro, the Louisville & Nashville Railroad Company invited the investment of capital in the St. Charles operations. It is stated that protestants developed their mines largely upon the faith that this relation of rates to the Middlesboro-Jellico district would be maintained. It is also asserted that the Louisville & Nashville Railroad Company, since the opening of protestants' mines, encouraged and assisted protestants in developing markets north of the Ohio River. It is further argued by protestants that there has been no change of conditions since 1906 which would warrant the establishment of a differential where none existed before, and it is asserted to

be a well-settled principle that where a rate has been maintained for a long time and property rights have been based thereon, a carrier will not be allowed arbitrarily to change the relationship thus fixed. In this connection attention is called to our decision in *Green Bay Business Men's Asso. v. B. & O. R. R. Co.*, 15 I. C. C., 59, 63, 64, where we said:

This Commission has often held that the long maintenance of a given rate is an admission of the reasonableness of that rate. It has also held that where, upon the strength of a given rate, capital has been invested and industrial conditions have become established, this rate can not be discontinued without taking into account its effect upon these commercial and industrial conditions, but it has never said that there was any absolute rule requiring for any reason the indefinite continuance of such a rate. It is always a question of what, under all the circumstances, is just and reasonable.

Protestants assert that their chief competitors in the territory north of the Ohio River are the mines of the Middlesboro-Jellico district, and that the mining conditions and the coal produced in these two districts are substantially similar. The annual production in the St. Charles field was estimated at from 400,000 to 500,000 tons and the total investment at \$1,000,000. The operations in the Middlesboro-Jellico field are much more extensive. It is alleged that if the tariff under suspension should become effective the result would be to destroy the markets for protestants at all points where the differential is established, and in this connection it is asserted that the differential of 10 cents per ton in the territory south of the Ohio River has been almost a complete bar against the St. Charles mines.

While it is admitted by protestants that it is a further haul from St. Charles to the destinations involved than from any point in the Middlesboro-Jellico group, it is stated that this argument, if reduced to its last analysis, would prohibit any rate grouping whatever. Attention is called to the fact that the Louisville & Nashville Railroad voluntarily established a differential of 10 cents in rates from St. Charles and Middlesboro-Jellico mines to points south of the Ohio River, which will still remain effective if the tariff under suspension is allowed to become effective. It is argued that this differential should decrease as the distance increases, and that, consequently, the grouping of the St. Charles mines with the Middlesboro-Jellico mines to points north of the Ohio River is just and reasonable. In that connection we call attention to the following excerpt from our opinion in *In re Advances in Rates on Cement Plaster*, 21 I. C. C., 591, 594:

In fixing group rates, differences in rates based upon distance should decrease as the distance to points of destination increases; and as between points embraced within the same rate group the percentage of distance over or under the average distance of the group to point of destination should not be excessive.

Protestants further allege that because of the establishment of the differential the publication of rates to points north of the Ohio River which are not carried in the tariffs at present in effect does not open new markets to the St. Charles mines.

The attempted justification for the increased rates which were proposed in the former proceeding, *Louisville & Nashville Railroad Coal and Coke Rates, supra*, was based almost exclusively on the question of cost of movement. Voluminous exhibits were introduced by the respondent showing the value of the property devoted to the transportation of coal and coke from the St. Charles and Appalachia districts to Cincinnati and Louisville, the revenues under existing and proposed rates, and also operating costs as assigned to the several operating divisions. Net revenues and losses were figured on traffic over each operating division and for the Cincinnati route as a whole. No attempt was made by respondent to figure the cost over the Louisville route until the Commission's examiners had prepared exhibits based upon data obtained from the Louisville & Nashville reports and records. Respondent's method of determining costs is described as follows in *Louisville & Nashville Railroad Coal and Coke Rates*, 26 I. C. C., 20, 25:

* * * Briefly described, the method of determining cost used by the carrier is to assign the costs of the system as between the several divisions thereof, then to divide the passenger and freight costs, then to separate the costs of moving the coal and coke as distinguished from other freight.

While the cost exhibits submitted by respondent in the present proceeding are fewer than in the former, they cover practically the same ground. The method of determining costs is the same as in the former case. Respondent's first two exhibits practically reproduce certain recapitulation tables in the former case showing the value of the property assignable to the traffic in question, the gross revenue, the expense and net revenue or deficit from the coal traffic originating at the Virginia mines and moving to points west of Middlesboro. These figures are shown for the traffic which moved during the month of December, 1911, the same month that was singled out for detailed treatment in the former case. Exhibits were introduced showing similar data for the two fiscal years 1911 and 1912. The manner of presentation is different in these two sets of exhibits. The cost data for the month of December, 1911, are shown for the movement over the line Norton to Cincinnati and the line Sinks to Louisville. The annual cost figures are shown for the coal movement from the St. Charles mines to Cincinnati and from the same mines to Louisville. The operating costs of the traffic moving over the line Norton to Cincinnati are based upon unit costs on the Cumberland Valley and

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the Kentucky divisions for the same month. The costs over the line Sinks to Louisville are based upon unit costs on the Lebanon branch and the main stem from Louisville to Nashville for the preceding 1911 fiscal year as stated in the carrier's annual report, and thus represent only approximate costs.

In both the exhibits for the month of December, 1911, and those for the fiscal years 1911 and 1912, the revenue figures are given over the entire line or lines and not by divisions as in the former proceeding, and hence the criticism that in the distribution of revenue the carrier had not accorded a sufficient proportion to the originating (Cumberland Valley) division will not apply in the present case. It is different with the expense, which, even when given for an entire line, represents merely the sums of the expenses allocated to the several operating divisions composing this line. Thus the operating cost via the Cincinnati route is made up of the assigned operating expenses on the Cumberland Valley and Kentucky divisions, while the like expense via the Louisville route is made up of expenses allocated to that traffic over the Cumberland Valley division, part of the Kentucky division, the Lebanon branch, and a small portion of the main stem between Lebanon Junction and Louisville.

The results shown in the tables submitted by the respondent in the present case indicate, as did those submitted in the former proceeding, that under existing rates the coal traffic from the St. Charles and Appalachia mines to Cincinnati does not pay operating expenses even upon the most favorable basis of distributing operating expenses between passenger and freight, on the one hand, and between coal and other traffic, on the other. On the basis of these cost data the total operating expense for December, 1911, of hauling a net ton of coal from the St. Charles and Appalachia mines to Cincinnati was stated in the former case by respondent carrier as \$1.06, which differs but little from the cost found by the Commission's examiners for April, 1912, of 99.5 cents between Norton and Covington south of the Ohio River. This difference in results can largely be accounted for by the fact that respondent assumed an empty return mileage of 100 per cent in calculating costs as against 75 per cent assumed by the Commission's examiners. On the basis of cost units for the preceding fiscal year the operating cost of the December, 1911, coal traffic would be about \$1 per ton via the Louisville route. The Commission's examiners calculated this cost to be 73.7 cents per net ton, which is about 27 cents less than respondent's figures for the same route and about 25 cents less than the cost found by them for the same month of coal traffic which moved via Cincinnati. By far the greater portion of the coal shipped out of the St. Charles district to points beyond the Ohio

River moves via Cincinnati. The respondent's figures for this movement for the fiscal years 1911 and 1912 are as follows, in net tons:

	1911	1912
To beyond Louisville.....	8,658	10,043
To beyond Cincinnati.....	99,053	75,489
Total shipments beyond river	107,711	85,532
Total westward shipments from St. Charles district:		
Over Louisville route.....	36,301	44,001
Over Cincinnati route.....	145,632	118,477
Total westward shipments	181,933	162,478

It is apparent that the choice of the more expensive route by this traffic is due to commercial and market conditions, especially when it is borne in mind that the average revenue from this traffic is shown by the Commission's examiners to be higher via the Louisville route than via the Cincinnati route: \$1.03 as against 91 cents, or 3.599 mills per net ton-mile as against 3.012 mills.

In the previous case the Commission found that the 1913 costs via the Cincinnati route were abnormally high. A comparison of operating ratios on the Kentucky division as calculated by respondent in exhibits filed in the former case tends to confirm this finding. Thus the annual operating ratio on the Kentucky division for the fiscal year 1912 was 73.90 per cent as against 67.20 per cent for the preceding year and the December, 1911, operating ratio was 76.16 per cent compared with 65.26 per cent in December, 1910. These increases on the Kentucky division went parallel with a decline during 1912 of the operating ratios on the Cumberland division and the system as a whole. The abnormal cost on the Kentucky division affects also, to a minor extent, the cost of traffic over the Louisville route, since 35 miles of that route are on the Kentucky division between Corbin and Sinks.

Respondent argued that the high cost shown for the Kentucky division was due largely to the high terminal cost at Covington and Newport, Ky., the expense of carrying the traffic across the river, and the transfer and terminal costs at Cincinnati proper. No data were presented regarding these and other terminal expenses, which are allocated by respondent to the several operating divisions, presumably on a somewhat arbitrary basis. According to this method the terminal expenses, which are independent of distance, are treated in the same manner as the haulage expenses, which are properly assigned on a mileage basis to the several divisions. In the case of coal traffic moving via the Cincinnati route, the result of not segregating this expense is merely to burden the Kentucky division with

a cost that is properly chargeable to the total ton-mileage over the Kentucky and Cumberland Valley divisions. This does not alter the total cost via Cincinnati. The result is different in the case of the coal traffic via Louisville. The terminal expense at that point is allocated to the main stem, which is used by the traffic under discussion only to the extent of 27 miles, with the result that the coal traffic via Louisville carries a share of the terminal expense at that city to the extent and in the proportion only that it uses the distance over the main stem. The cost of the movement to Louisville is incomplete as arrived at by the methods indicated, and on this account some allowance should be made when comparisons are attempted between the costs over the Louisville route and the Cincinnati route.

The assumption by respondent of a full 100 per cent return movement of empty cars, notwithstanding the testimony of its own witness that a certain proportion of these cars was returned loaded with company material, unduly swells the cost of this traffic. From respondent's exhibits in the former case it would appear that the cost via Louisville, on the assumption of 100 per cent empty return mileage, is over 8 per cent higher than on the assumption of a 66.5 per cent empty return mileage.

There is also sufficient evidence for the reiteration of the finding in the former case that even under normal conditions as they prevailed prior to the time of this dispute the Cincinnati route was the more expensive of the two. Surely this was the case in 1912, when the normally higher cost on the Kentucky division was swelled because of the extensive improvements in progress. The respondent has not thought it worth while to present cost data for that division for the period subsequent to the completion of the improvements, but it is to be assumed that with the doubling of the track between Paris and Covington and the other improvements on the Kentucky division the cost of the movement via Cincinnati was considerably decreased and brought nearer the cost over the Louisville route.

Respondent has demonstrated that operating results from this traffic are not satisfactory, chiefly because of the excessive cost of operation over the Cincinnati route. But as stated in the previous case, *Louisville & Nashville Railroad Coal and Coke Rates*, 26 I. C. C., 20, 27, 28:

While cost is an important element in determining the reasonableness of freight rates, it is not controlling, and we do not think a reasonable maximum rate is *ipso facto* only such a rate as pays a fixed distributive share of all operating expenses.

So long as freight is classified this can not be, and the preservation of that classification calls for the exercise of "the flexible limit of judgment which belongs to the power to fix rates."

Attention should also be called to the fact that the cost figures submitted in both the present and the former case relate merely to

the movement up to the Ohio River. In this connection we use the following language at pages 31 and 32 of the opinion in the former case:

Before concluding we wish to reiterate that all of the cost and revenue figures, constituting substantially all of the defense, relate to the movement only up to the Ohio River despite the fact that joint rates are under consideration. * * * This is but another illustration of the care that must be exercised in giving consideration to divisions, fixed by private agreement, when determining the reasonableness of freight rates. Even if we concede, and we do not, that the cost of transporting coal and coke to the Ohio River for northern destinations equals the revenue accruing to the Louisville & Nashville for its service, it would by no means follow that the present rates are too low or that the proposed increased rates are reasonable. It might be an argument that the division of the joint rate received by the Louisville & Nashville Railroad was not enough, but we could not say that that division must be increased by an advance in the joint rate. * * *

It should also be remembered that this case is not one of the reasonableness of rates but rather of the rate relationship of these various producing fields. This is admitted to be the issue both by protestants and the respondent. While in both cases it is argued that the St. Charles rates are unremunerative, we are in the present case considering a tariff which names lower rates than the respondent sought to justify in the former proceeding. The argument was made by the respondent in the former case, and is reiterated in the present case, that the destination territory herein involved is an unnatural market for the St. Charles mines, due to their location on the eastern slope of the Cumberland Mountains, while all the other mines in the Middlesboro-Jellico group are on the slope of the mountains toward the markets north of the Ohio which are involved in the present proceeding. For this reason it is stated no coal should move northward from St. Charles. The expectation of the respondent apparently is that as a result of the new rates part or the whole of the coal traffic originating at the St. Charles mines and destined to territory north of the Ohio River will be replaced by traffic originating in the Middlesboro-Jellico district proper, and that, furthermore, the lower rates granted to the nearer mines will stimulate the traffic and thus decrease the cost to the respondent. With regard to respondent's argument that the destination territory herein involved is an unnatural market for the St. Charles mines to which they should not be given access, we expressed ourselves as follows at page 31 of our report in *Louisville & Nashville Coal and Coke Rates, supra*.

The president of the Louisville & Nashville Railroad, in the course of his evidence, stated that coal should not move from these mines east of Middlesboro to destinations north of the Ohio, because that was an unnatural market and that it should seek markets in the southeast. Also, that the coke should not reach these northern markets, unless the owners of the coke ovens could overcome the competition of more available coke. The inference from this statement is that the railroad could forego the hauling of this traffic.

What would be the effect upon the Cumberland Valley division should this traffic entirely cease? From an exhibit filed it appears that in December, 1911, the total tons of freight handled by the Cumberland Valley division east of Middlesboro was 88,939, of which coal and coke originating in the St. Charles and Appalachia districts constituted about 40 per cent. It is recognized by all authorities that the cost per unit of freight moved decreases with the volume, and of course the converse is equally true. If all of this coal and coke were eliminated, while the cost would not be doubled, it would probably be increased 50 per cent. Hence, if the fears of the shippers were realized and the business destroyed, the carrier might ask for a further increase in rates on freight in general because of the increased costs per unit of freight.

Several statements were introduced in evidence by respondent which show the cost of handling coal traffic from the St. Charles and Appalachia districts to Middlesboro. Respondent reiterates the contention made in the former proceeding that the difference between the cost of handling coal from St. Charles and Middlesboro should be the measure of a differential in rates from St. Charles over rates from Middlesboro to points north of the Ohio River. Of the three elements of operating expense, assembling cost, road expense, and terminal cost, the last is practically common to the movement from St. Charles and from Middlesboro and should not be considered when differential cost is calculated. Respondent claims that the cost of assembling coal at the St. Charles mines is from $1\frac{1}{2}$ to $2\frac{1}{2}$ cents higher than at certain other, though not all, groups of mines on the Cumberland division. The total operating cost of the coal traffic from St. Charles to Middlesboro is stated in respondent's exhibits to be from 18.42 to 23.05 cents per net ton, according to the several modes of assigning expenses used in the calculation. When the share of the rental of the Black Mountain Railway apportioned to this traffic is included, these figures are increased to 24.17 and 28.80 cents, respectively. Throughout the exhibits an empty return mileage of 100 per cent is assumed. On a 75 per cent basis the operating cost is reduced to from 16.12 to 21.68 cents, which is somewhat lower than the total cost deducible from the data of the Commission's examiners in the former case, calculated on the same basis of empty return mileage. These costs are mere operating expenses, exclusive of any return on property assigned to the service, and if proper allowance is made for capital charges they may exceed 40 cents per ton under the most conservative modes of assignment.

In the previous case it was held that the movement up to Middlesboro can not be treated as a purely "accessorial service" and that the carrier was not entitled "at least to the Middlesboro rate plus the additional expense if not to some profit for the extra service." On page 30 of the opinion in the former case we stated:

This is indeed a novel theory and one which if sustained is calculated to justify an increased rate from almost any point, particularly on coal or coke traffic where the

rates from the mines are generally grouped. If, in making rates, a through route is to be divided into divisions and these divisions subdivided into sections, why should not the separation continue until the road is dissected into as many parts as there are stations, or miles, or even feet of track?

No new facts were submitted in the present case which would change the aspect of the case from the cost point of view, except possibly the figures showing a larger differential disadvantage of the St. Charles mines as compared with the Middlesboro mines by reason of the fact that respondent does not own tracks between St. Charles and Pocket, and for this reason is put probably to greater than ordinary outlays in the shape of maintenance expense and rentals payable to the owner of these tracks.

In view of the facts submitted in these two cases and the circumstances and conditions disclosed in the record we believe that to compel the continued inclusion of St. Charles in the Middlesboro-Jellico group would not be fair to the carriers. We are, on the other hand, unable to accept respondent's argument that the rate differential against these mines should correspond to the entire additional operating cost for the distance from St. Charles to Middlesboro. In our opinion a fair measure of the maximum differential applicable under the peculiar circumstances of this case would bear a fair relation to the out-of-pocket cost which the St. Charles traffic occasions to the carriers between Pennington and Middlesboro. This cost, as defined in our previous decision, includes the additional cost of fuel and train supplies; the extra wages of the crews and the repairs to locomotives and cars. As is deducible from respondent's exhibits, this is in the neighborhood of 10 cents. Since there exists at present a differential of 10 cents against St. Charles coal to destinations south of the Ohio River, any differential in excess of that amount to points beyond the river will mark a departure from the accepted rule that the amount of the differential should vary in inverse ratio to the length of the haul. We believe that a maximum differential of 10 cents per ton would be just and reasonable to points north of the Ohio River within 400 miles of St. Charles, Va. Beyond that the differential should decrease not less than 1 cent for each additional 100 miles. The rates from the mines in the Appalachia group and the mines at Benham should not exceed the rates from the Middlesboro-Jellico group to points north of the Ohio River by greater amounts than the differentials in effect at the present time, provided that the differential Appalachia over Middlesboro-Jellico should in no case be lower than the differential St. Charles over Middlesboro-Jellico. The prescribed differentials being maxima, the carriers are at liberty to establish smaller ones whenever commercial conditions may require it.

An order will be entered requiring the respondents to cancel the rates from the St. Charles, Appalachia, and Benham mines under suspension which exceed the rates from the Middlesboro-Jellico group by amounts greater than the differentials fixed in the preceding paragraph and to publish rates in accordance with this finding. The suspension order will be vacated as to all other rates named in the tariff under suspension.

Commissioner CLARK took no part in the decision of this case.

INVESTIGATION AND SUSPENSION DOCKET No. 312.

RATES ON FENCING AND FENCING MATERIAL FROM
ANDERSON AND OTHER POINTS IN INDIANA TO
TEXARKANA, ARK.-TEX., AND OTHER POINTS.

Submitted May 9, 1914. Decided June 12, 1914.

For reasons given in the report herein the order of suspension in this proceeding must be vacated.

Edward F. Hollies for Texarkana Freight Bureau.

F. B. Clark for St. Louis, Iron Mountain & Southern Railway Company.

R. D. Coleman for St. Louis Southwestern Railway Company.

REPORT OF THE COMMISSION.

HARLAN, *Chairman*:

The present rate on fencing and fencing material from Anderson, Crawfordsville, Kokomo, Muncie, and Richmond, all in the state of Indiana, to Texarkana, which lies partly in the state of Arkansas and partly in the state of Texas, is 37 cents per 100 pounds. By the tariffs under suspension in this proceeding it is proposed to increase that rate to 40 cents per 100 pounds.

The points of origin are all in what is termed Cincinnati or Chicago-Cincinnati territory; the usual method of making rates from this territory to Texarkana is by the addition of a differential to the basing rate from St. Louis. The rate on wire articles, including fencing and fencing material, from St. Louis to Texarkana is 33 cents per 100 pounds, and the fifth-class differential applying from Chicago-Cincinnati territory is 7 cents, making the through rate 40 cents per 100 pounds. It was explained by the respondents that

interested shippers at other points located in the Chicago-Cincinnati territory had recently complained that their rate to Texarkana was 3 cents higher than the rate from Anderson, Crawfordsville, Kokomo, Muncie, and Richmond, and that this resulted in preferring those points to the disadvantage of all other shippers of wire articles located in the same general territory. In investigating this complaint the carrier found that the 37-cent rate had been published through error when rates from Indiana points to Hope, Ark., were, in April, 1912, transferred to another tariff for application to the Texarkana group, and that there was no apparent reason why the points named should enjoy a 4-cent differential over St. Louis when the differential from other points in the same territory was 7 cents.

In *Indiana Steel & Wire Co. v. C., R. I. & P. Ry. Co.*, 16 I. C. C., 155, we had under consideration a somewhat similar situation, the rates being in favor of industries located in the vicinity of Chicago and the complainants manufacturers of wire articles with plants in Muncie and Kokomo, two of the points here involved. For some years prior to the time of the complaint the rate on fencing material from Muncie and Kokomo to Arkansas common points had been the same as from Chicago, but this relationship was destroyed when the carriers increased the rates from the complainants' plants without correspondingly increasing the rates from Chicago territory. We there held that this resulted in discriminations, which were ordered to be removed by the charging of no higher, other, or different rates from Cincinnati territory than those contemporaneously in effect from Chicago territory. The same situation now prevails, except that the conditions are reversed, in that the rate from the particular points under discussion in Cincinnati territory is lower than that from Chicago territory on the same commodity to the same destination in Arkansas, and the carriers have now been charged with discrimination by the Chicago shippers.

Some complication arises here under our decision in *Texarkana Freight Bureau v. St. L., I. M. & S. Ry. Co.*, 28 I. C. C., 569. The complainant in that proceeding, who is also the protestant herein, attacked the relationship existing between the rates to Texarkana and to Shreveport, in the state of Louisiana, from points in central freight association and western trunk line territories, and from St. Louis, Kansas City, and Memphis. Upon consideration of that case we held, with respect to commodity rates, that the rates to Texarkana, which to Shreveport make via the direct lines, should not exceed those contemporaneously maintained to the latter point. The order therein was confined to the class rates and the carriers were allowed a reasonable time in which to revise their commodity rates in accordance with the suggestions made in the report.

At the time the complaint in that case was filed the rate on fencing material from St. Louis to Shreveport was 26 cents per 100 pounds, and the differential from Cincinnati territory was 5 cents, making the through rate 31 cents, or 6 cents less than the rate to Texarkana from the points of origin now under discussion. The proposed rate to Texarkana was published to become effective September 25, 1913, prior to our decision in the case last cited, and the protestant claims that under that decision Texarkana is entitled to a reduction below the 37-cent rate, and that the spread of 6 cents between the rates to Texarkana and Shreveport should not have been increased to 9 cents. The respondents contend, on the other hand, that although the discrimination which was found to exist against Texarkana was ordered removed, the adjustment in the rates was left to the carriers to work out, and the decision can not be construed as ordering a reduction in the Texarkana rate. It is said that a force of men is now engaged in checking out the rates, and that a new tariff conforming to the suggestions in our report will be issued within a short time.

Upon a full consideration of all the facts of record we are of the opinion that no substantial reason exists for the charging of a lower rate on shipments of fencing material from the five Indiana points named than is charged on similar shipments from other points in Chicago-Cincinnati territory. Although the Texarkana rate will thus be increased from those particular points the change proposed in the suspended tariff will place them on an equality with others in the same territory and will be in accord with our order in *Indiana Steel & Wire Co. v. C., R. I. & P. Ry. Co., supra*. The carriers have not yet modified their tariffs with respect to rates to Texarkana and Shreveport, but when that is done, and the order of suspension against the proposed tariff vacated, the rates on fencing material will, in our judgment, be properly adjusted both as to points of origin and destination.

From what has been said it follows that the order of suspension in this proceeding must be vacated. An order will be entered accordingly.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 6278.
MILWAUKEE PRODUCE & FRUIT EXCHANGE
v.
CROSBY TRANSPORTATION COMPANY ET AL.

Submitted April 3, 1914. Decided June 9, 1914.

Former through route and joint rates of the Grand Rapids, Grand Haven & Muskegon Railway Company and the Crosby Transportation Company from points on the former line, except Grand Rapids, Grand Haven, and Muskegon, Mich., to Milwaukee, Wis., ordered to be reestablished in so far as necessary to provide for the transportation of fresh fruits.

Carroll, Kirwin & Holloway for complainant.

Walter E. McCornack for Crosby Transportation Company.

G. W. Kretzinger for Detroit, Grand Haven & Milwaukee Railway Company.

REPORT OF THE COMMISSION.

HALL, Commissioner:

This is a prayer for the establishment of through or joint classifications or joint rates for the transportation of fresh fruits to and from points on the line of the Crosby Transportation Company, hereinafter referred to as the Crosby line, one of the defendants, from and to points on the line of the Grand Rapids, Grand Haven & Muskegon Railway Company, hereinafter referred to as the Electric line, another defendant.

The Crosby line is a carrier by water operating its own steamers on a year-round service across Lake Michigan, between the ports of Milwaukee, Wis., and Grand Haven, Mich. During that time of the year when the port of Muskegon, Mich., is open, a side-trip service is maintained between that port and Grand Haven. Throughout the fruit-picking season it also operates boats on Grand River, upon which both Grand Rapids and Grand Haven are situate, and which, in the principal fruit-growing section between those points, flows about three miles south of the Electric line.

On February 1, 1906, defendant Crosby line entered into a contract with defendant Detroit, Grand Haven & Milwaukee Railway Company and the Grand Trunk Railway Company of Canada, under which the Crosby line performs the "break-bulk-across-Lake Michigan" service of the Grand Trunk Railway system between Grand Haven and Milwaukee. By virtue of this contract, which is still in

effect, the facilities of the Crosby line are the facilities of the Grand Trunk Railway system in the service named, and the rates of the Grand Trunk Railway system are published to and from Milwaukee without the concurrence of the Crosby line. At Milwaukee and Grand Haven the Crosby line uses the water-front terminals of defendant Detroit, Grand Haven & Milwaukee Railway Company. Its Muskegon terminal is that of the Toledo, Saginaw & Muskegon Railway. Both these latter carriers are lines of the Grand Trunk Railway system. Defendant Detroit, Grand Haven & Milwaukee Railway Company will be referred to herein as the Grand Trunk. At Milwaukee the agent and employees of the Grand Trunk act also in like capacity for the Crosby line.

Paragraphs 19 and 21 of this contract provide as follows:

19. The railway companies will at all times at their own cost use their best endeavors to provide cargo for the said boats, but do not give any guaranty as to any quantity of cargo to be provided; as to that the transportation company will have to take its chances.

21. It is understood that during the life of this agreement the transportation company is not permitted to interchange freight traffic with any other railway company or boat company without the written authority of the general freight agent for the time being of the Grand Trunk Railway system, it being the spirit of this agreement that no traffic arrangement shall be entered into by the transportation company which may be considered to be prejudicial to the interests of the railway companies.

The contract does not prohibit the continuance of its usual business by the Crosby line, and the latter, ever since the contract has been in force, has maintained service under its own name between its three ports, and in addition to handling port-to-port traffic has, in conjunction with other carriers, engaged in through transportation to and from inland points beyond these ports.

The Electric line operates a third-rail service from Grand Rapids, Mich., in a general westerly direction to Grand Haven, with a branch from Grand Haven Junction north to Muskegon. Between Grand Rapids and Grand Haven the Electric line and the Grand Trunk are parallel, generally speaking, and from Grand Rapids west to Nunica, Mich., they are never more than three-quarters of a mile apart. The Electric line was built and began operation in 1902. On September 16, 1907, it established joint rates in connection with the Crosby line between Milwaukee and points on its line in Michigan.

Grand Rapids is a city of some 125,000 people, and an important traffic point. From Grand Rapids west to Grand Haven the territory served by the Grand Trunk and the Electric line is now largely agricultural, its principal shipments being of fruit and berries. Grand Haven and Muskegon, although much smaller than Grand Rapids, are both of considerable traffic importance.

Acting under paragraph 21 of the contract, as set out above, the Grand Trunk on August 21, 1912, requested the Crosby line to cancel the joint rates with the Electric line. As a result the latter's power of attorney from the Crosby line was revoked January 21, 1913, and the formal cancellation of the joint tariff was accomplished on June 30, 1913. The withdrawal of these joint rates left in effect combinations of locals which were much higher, and this complaint followed. The complainant's interest arises because the movement of Michigan fruit to Milwaukee has largely decreased since the joint rates were canceled.

The Grand Trunk takes the position that the contract between it and the Crosby line makes the latter the route of the Grand Trunk, and that to grant complainant's prayer would "short haul" the Grand Trunk, in violation of section 15, and give to a competitor engaged in like business the use of Grand Trunk terminals, in violation of section 3. This position is not sound. The Crosby line, as such, engages in the business of a common carrier by water between Milwaukee and the two Michigan ports. It participates, under the name of Crosby Transportation Company, in the handling of interstate traffic from and to Milwaukee, to and from points to the east of Grand Haven. Its terminals may be owned or controlled by the Grand Trunk Railway system, but under the contract they are the terminals of the Crosby line, and subject to the act to regulate commerce. Paragraph 19 of the contract discharges the Grand Trunk of any obligation to furnish a cargo for the Crosby line. Manifestly, therefore, it contemplates that the Crosby line shall continue its regular business. But, regardless of the terms, the contract can not oust this Commission of its jurisdiction.

Under the former joint rates the Electric line built up and served a large movement of fruit from points on that line to Milwaukee. The abolishment of the joint rates caused a considerable decrease of that movement in 1913. The extent of the decrease is not definitely shown of record. The manager of the Electric line stated that his company has lost entirely the fruit business moving to Milwaukee. The Grand Trunk submitted statements covering all freight moved by it between Milwaukee and the competitive Michigan points, except Grand Rapids, in 1913, and the amount of fruit shown is almost negligible. No attempt was made by the Crosby line to show that the fruit had been diverted to its Grand River boats.

Refrigeration service is not given to this fruit, and unusual importance attaches, therefore, to frequency and rapidity of service, also to arrival at Grand Haven late in the day, for close connection with the night boat. The record clearly shows that the service of the Electric line meets these requirements far better than does that of the Grand Trunk.

The facts before us bear out the contention of complainant and the Electric line that the fruit which in past years moved to Milwaukee is not now so moving, and fairly warrant the conclusion that the Grand Trunk route to Milwaukee does not meet the needs of the fruit shippers west of Grand Rapids.

There remains for consideration the situation as to business from and to Grand Rapids and Muskegon.

The Grand Trunk freight service between Grand Rapids and Grand Haven consists of three freight trains (one a way freight) daily each way. The Electric line's service is more frequent, and, on local trains, more rapid. All westbound trains on both lines reach Grand Haven at some time during the day or evening, in season to effect delivery of freight to the night boat for Milwaukee of the Crosby line. Eastbound the morning boat connection is made for Grand Rapids by both lines. Upon the hearing one Grand Rapids shipper made complaint of the Grand Trunk service, but his difficulty results largely from the fact that his plant is a few blocks farther removed from the Grand Trunk than from the Electric line, thus requiring more drayage on Grand Trunk shipments. The record indicates that some fruit moves from Grand Rapids, but is silent as to the amount moved to Milwaukee. Ninety per cent of the entire freight handled from this Michigan territory to Milwaukee is Grand Rapids business. The Electric line, in connection with the Goodrich Transit Company, now has a joint route open between Grand Rapids and Milwaukee via Chicago. This record, with only one Grand Rapids shipper complaining, does not convince the Commission that the present routes are not satisfactory and sufficient for Grand Rapids business.

Complainant admits that its prayer, in so far as it relates to Muskegon, has reference only to the times when that port is closed. At such times traffic between Muskegon and Milwaukee may be moved via Grand Haven and the route of the Pere Marquette Railroad Company, over which joint rates apply in connection with the Crosby line. Also, the boats of the Goodrich Transit Company operate between Milwaukee and Muskegon via Chicago and Grand Haven, and when the port of Muskegon is closed the Goodrich Transit Company rates apply via Grand Haven and the Electric line. There is evidence on behalf of three shippers that the former joint route of the Crosby line and the Electric line gave them more prompt and convenient service than the routes now open. There was no evidence of public necessity that another route be established for the few months in the year when the Crosby line does not operate into Muskegon.

Upon the whole record we find that the former joint rates of the Crosby line and the Electric line should be reestablished in so far as necessary to provide for the transportation of fresh fruit to Milwaukee from all points on the Electric line except Grand Rapids, Grand Haven, and Muskegon. An appropriate order will be entered to that effect.

Commissioner CLARK took no part in the decision of this case.

No. 5099.

PEOPLE'S FUEL & SUPPLY COMPANY

v.

GRAND TRUNK WESTERN RAILWAY COMPANY ET AL.

Submitted April 1, 1914. Decided June 8, 1914.

The Minneapolis, St. Paul & Sault Ste. Marie Railway Company and the Grand Trunk Western Railway Company, in compliance with an order of the Commission established a joint rate for the transportation of ice from Silver Lake, Wis., to a point of delivery on the tracks of the Grand Trunk Western Railway in Chicago, Ill. Upon petition of the first-named carrier asking that the Commission fix, in accordance with the provisions of section 15 of the act, the divisions and the portion to be received by each of the carriers out of that rate; *Held*, That for reasons stated in the report the Grand Trunk Western Railway should receive, and the Minneapolis, St. Paul & Sault Ste. Marie Railway should allow to it, the regular reciprocal switching charge applicable, under the provisions of the Lowrey tariff, to reciprocal switching in the Chicago district.

Guerin, Gallagher & Barrett for complainant.

A. H. Lossow for Minneapolis, St. Paul & Sault Ste. Marie Railway Company.

Kretzinger & Kretzinger for Grand Trunk Western Railway Company.

SUPPLEMENTAL REPORT OF THE COMMISSION.

BY THE COMMISSION:

The original proceeding in this case, 27 I. C. C., 24, arose upon complaint against increased charges for the through transportation of ice in carloads from Silver Lake, Wis., to and including delivery upon the siding of complainant, which is connected with the tracks of the Grand Trunk Western Railway, hereinafter called the Grand Trunk, at Forty-ninth street and Center avenue, Chicago, Ill.

There was no joint through rate on the traffic and charges were assessed on basis of a rate of 3 cents per 100 pounds from Silver Lake to Chicago, as published in a tariff of the Minneapolis, St. Paul &

Sault Ste. Marie Railway, hereinafter referred to as the Soo line, plus the switching charges of the Illinois Northern Railroad Company, an intermediate switching line which transferred the cars from the Soo line at Hawthorne to the Grand Trunk at Elsdon, plus the switching charges of the Grand Trunk from Elsdon to the point of delivery. The Soo line tariff provided that it would absorb as much as \$3 per car of the Grand Trunk's charge. Prior to August 1, 1911, the so-called reciprocal switching charge of the Grand Trunk had been \$3 per car. It followed, therefore, that prior to that date the Soo line absorbed the entire reciprocal switching charge of the Grand Trunk. On the date named the Soo line and the Grand Trunk, together with the other carriers in the Chicago switching district, adopted and applied to their switching service the rules, regulations, and charges established in the so-called Lowrey tariff.

The Lowrey tariff may be said to embody the rules, regulations, and conditions of a mutual scheme agreed upon by the carriers for the rendition of switching services in the Chicago district, and states the charges therefor. Its fundamental basis is that where the rate of the carrier or carriers having the line haul is 2½ cents per 100 pounds or more, and the revenue per car \$15 or over, the carrier or carriers having the line haul will absorb the reciprocal switching charges of the delivering carrier. Such reciprocal delivery charges are 1 cent per 100 pounds, minimum 60,000 pounds or \$6 per car.

Certain special exceptions were made by individual carriers on specified commodities. For instance, the Soo line excepted ice from the application of the switching charge although it continued to absorb \$3 of the Grand Trunk's charge to the delivery point in question when its per-car revenue was \$15 or more. This exception of the Soo line, in conjunction with the increased reciprocal charge of the Grand Trunk, resulted in increased charges to the shipper.

The facts, circumstances, and conditions of the transportation are set forth in our report in the case and need not be restated in detail here. It will be sufficient to recall that we found that the increased charges to which complainant had been subjected resulted from the increased and fluctuating charges of the Grand Trunk, which we stated had not been justified. We stated further, however, that while the carriers were at liberty to arrange between themselves for deviations from the general rules applicable in this district, they might not, because of changed arrangements between themselves, pass along to their patrons increased charges unless the reasonableness of the same were made clear, and that in so far as the through rates and charges on the traffic involved had been increased by reason purely of the new arrangements between the carriers, such increased through rates and charges had not been justified.

Some misconception seems to have been put upon our findings by the Soo line. We stated in our report that the Soo line's rate from Silver Lake to Chicago had not been changed; that it compared favorably with the rates of other carriers of ice to Chicago for similar distances; and that the Soo line had continued to absorb out of this rate \$3 of the Grand Trunk's switching charge. From these findings, in conjunction with our finding that the proximate cause of the increased charges put upon the shipper was the increased charge of the Grand Trunk which that carrier had not justified, the Soo line seems to assume that we held the Grand Trunk's switching charge as such to be unreasonable. There is no justification for such assumption. Commenting on the fact that the defendants had elected to meet the issues in the case as they conceived their several interests to be affected—that is, by each attempting to defend the reasonableness of the factor of the through charge for which it was admittedly responsible—we observed, page 28:

It is not the separate factors in a through rate, but the rate or charge as a whole, to which the test of reasonableness must be applied,

and at page 29:

Defendants have proffered no evidence to justify the increased rate and charge considered in its entirety, nor has the Grand Trunk justified as part of the through charges here considered its increased switching charges, which resulted in increased charges to complainant.

We said further, page 30:

We express no opinion, nor is it necessary to here decide, as to the reasonableness of that (Grand Trunk's) local switching rate or charge for purely local service in Chicago, neither is it necessary to decide as to the divisions of the earnings under a reciprocal arrangement which is in fact a part of a through charge.

What we held was, in effect, that the defendants would not be permitted, under the guise of changed arrangements in respect of the reciprocal switching charge resulting from the adoption of the Lowrey tariff, to pass along increased charges to their patrons, and that they might not cast upon the shippers any burden of increased charges resulting from a change of divisions of the charges.

In order that the defendants might have full opportunity to conform their switching and absorption arrangements to our findings in whatever manner they preferred, the case was held open for a period of thirty days.

No steps having been taken by the carriers to amend their tariff in accordance with our findings it became necessary to issue an order, which was done, requiring the carriers to establish, on or before August 15, 1913, and for a period of not less than 2 years to maintain charges not in excess of 3 cents per 100 pounds plus \$2.50 per car.

The Soo line says that it construed our order as requiring the establishment of a joint through rate upon the basis indicated, and that in compliance therewith it did establish a joint through rate. The fact is that the Soo line has established a specific basis for constructing through charges on ice from Silver Lake to complainant's siding, which has the effect of restoring the basis in effect prior to August 1, 1911. It is a joint arrangement so far as the Soo line and the Grand Trunk are concerned, but technically the resulting rate is not a joint through rate. Conceiving, however, that it had, in compliance with our order as it construed it, established a joint rate, and which for the purposes of this proceeding we may assume it has established, the Soo line filed its petition representing that it was unable to agree with the Grand Trunk upon the divisions of such joint through rate and praying the Commission in accordance with the provisions of section 15 of the act to prescribe the just and reasonable proportion of such joint through rate to be received by each carrier party thereto.

The only parties to this supplemental proceeding are the Soo line and the Grand Trunk. The dispute is between them only. The Illinois Northern is not involved and apparently not interested. A hearing at which both of the interested carriers were represented was had upon request of the Soo line and it, therefore, appears in the capacity of petitioner or complainant, the Grand Trunk in the capacity of defendant or respondent.

It is asserted by the Soo line that it had a "right" to come in the Lowrey tariff and make it applicable on all commodities, or make exceptions. This assertion is equivalent to an admission that it exercised a right or option in so doing and seems to negative any claim that it entered into the arrangement under duress.

The history of the conditions leading up to the adoption of the Lowrey tariff, its general scope and purpose, were testified to by a witness for the Grand Trunk and are discussed on brief. They have been considered in other cases: *In the Matter of Advances in Charges for Switching Ice at Chicago*, 24 I. C. C., 660; *Advances on Coal within Chicago Switching District*, 27 I. C. C., 71; *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.*, 30 I. C. C., 71.

The Soo line contends that the Lowrey tariff was forced by carriers having large terminals; that the Soo line had a right to except therefrom certain traffic or commodities and that the burden is upon the Grand Trunk to show the reasonable value of its switching service.

As has appeared in the other proceedings before us, *supra*, the Lowrey tariff contained a new arrangement entered into between the carriers for the purpose of according in general to industries in Chicago the application of Chicago rates. The changes in switching charges

were of interest only to the carriers as the general plan was, as has been stated, for the line-haul carriers to pay the switching charges.

In view of the basis upon which charges for reciprocal services in Chicago have been established by agreement among the carriers themselves—a basis which ignores no single factor of rate making so completely as it ignores the cost of service, and which is founded upon mutual concessions to the end that their own operations may be facilitated and the service to the public made more efficient and simple by the application of flat Chicago rates to points within that district—we find no reason to hold with the Soo line that before the Grand Trunk may be allowed to receive its reciprocal charge upon this particular commodity, “it must show us the figures.”

The division of a joint rate between carriers is a matter of agreement between the participating carriers in the first instance. The law prescribes no basis upon which our findings shall rest when, in the event of the contingencies provided for in the act, the duty of fixing the divisions falls upon us.

As stated in our original report, the Soo line is under a disability in respect to terminal facilities in Chicago. The record shows that during the year 1913 it handled 13,431 cars of ice into Chicago, of which 2,859 cars were delivered on its tracks, while the remainder—over 10,000 cars—were delivered upon the tracks of its connections. If the Soo line desires to give its shippers the benefit of deliveries on the tracks of other carriers in Chicago, it must expect to pay for the use of such facilities. We can not say, upon the evidence in this record, that the charge of 1 cent per 100 pounds, minimum \$6 per car, is more than a reasonable charge for that service. We express no opinion upon that point, but find no reason to hold that the Soo line is entitled to obtain terminal services at any less charge than other carriers pay for the same or like services.

The Soo line is the only carrier which now unqualifiedly excepts ice from the benefit of the reciprocal basis when the rate to Chicago exceeds the minimum rate and charge fixed in the tariff. If ice moving to Chicago from points on other lines is delivered to the Soo line for placing at points on its own terminals it receives, or would receive, so far as the record shows, the regular reciprocal charge which it objects to paying to the Grand Trunk.

Silver Lake is the same loading station which on the Chicago & North Western is known as Fox River, Wis. The latter carrier hauls ice from Fox River destined for delivery on the Grand Trunk at Forty-ninth street and Center avenue, and out of its rate of 3 cents pays the Grand Trunk the established reciprocal charge. The Chicago, Milwaukee & St. Paul Railway has established the Chicago rate of 3 cents from points on its line in Wisconsin to points on the

lines of other carriers in the Chicago district and pays the delivering carrier the established reciprocal charge. The Grand Trunk carries ice from a point on its line in Indiana 83 miles distant from Chicago at a rate of 3 cents, out of which it pays delivering carriers in the Chicago district 1 cent per 100 pounds, minimum \$6 per car, and in addition thereto absorbs the intermediate switching expense where an intermediate switching service is involved.

It is our conclusion and finding, from a consideration of the whole situation, that the Grand Trunk should not be required to perform the service here in question for the Soo line at any less charge than it receives from other carriers, or which it pays to other carriers for like service; and that, therefore, out of the rate to Chicago, the Soo line should allow, and the Grand Trunk should receive, for switching cars of ice from Elsdon to Forty-ninth street and Center avenue, 1 cent per 100 pounds, minimum 60,000 pounds, minimum charge \$6 per car, for a period of not less than two years from August 15, 1913, which is the date from which our order requires the maintenance of the rate, or for such shorter period as the reciprocal charge shall be maintained upon the present basis.

A supplemental order in this proceeding will be entered in accordance with these conclusions.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 5995.

MINNEAPOLIS CIVIC & COMMERCE ASSOCIATION

v.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY.

Submitted March 12, 1914. Decided June 27, 1914.

Defendant's present class rates from Minneapolis and St. Paul, Minn., to points on its transcontinental line in South Dakota and North Dakota for distances up to 600 miles found unjust and unreasonable in so far as they exceed the rates named in the report.

F. J. Morley for complainant.

O'Brien, Young & Stone for St. Paul Association of Commerce, intervener.

P. W. Dougherty, R. C. Johnson, and D. L. Kelley for South Dakota Board of Railroad Commissioners, intervener.

H. C. Barlow for Chicago Association of Commerce, intervener.

G. T. Bell for Commercial Club of Sioux City, intervener.

R. D. Springer for Traffic Bureau of the Sioux Falls Commercial Club, intervener.

C. R. Hall for Commercial Club of Duluth.

T. J. Morgans for Commercial Club of Mitchell, S. Dak.

O. W. Dynes and B. Harrison for Chicago, Milwaukee & St. Paul Railway Company.

REPORT OF THE COMMISSION.

MEYER, Commissioner:

In this proceeding it is complained that the class rates from Minneapolis and St. Paul, Minn., to South Dakota and North Dakota points located on the Hastings & Dakota division, the James River division (now consolidated with the Hastings & Dakota division), and the trans-Missouri division of the Chicago, Milwaukee & St. Paul Railway are unjust and unreasonable *per se*, and subject Minneapolis and St. Paul manufacturers and wholesalers, and the people living in the territory of destination described, to undue and unreasonable prejudice and disadvantage, in violation of sections 1 and 3 of the act to regulate commerce. The three operating divisions referred to constitute that part of the transcontinental line of the Chicago, Milwaukee & St. Paul which crosses the northern part of South Dakota and the southwestern corner of North Dakota and the branch lines running northward and southward from the main line. The destinations involved include stations on defendant's lines from

Milbank, S. Dak., the first station west of the Minnesota-South Dakota boundary, to Montline, N. Dak., the first station east of the Montana-North Dakota boundary, from White Rock, S. Dak., to Fargo, N. Dak., Milbank to Sisseton, S. Dak., Andover to Harlem, S. Dak., Edgeley to Mitchell, S. Dak., Linton, N. Dak., to Orient, S. Dak., Moreau Junction to Isabel, S. Dak., Trail City to Faith, S. Dak., and McLaughlin, S. Dak., to New England, N. Dak. In support of the allegation of undue prejudice and disadvantage comparisons are made of the rates from Minneapolis and St. Paul with the rates from Chicago, Ill., Milwaukee, Wis., Sioux City, Iowa, Winona, Minn., and Duluth, Minn., to the destinations referred to above.

The complaint is brought by the Minneapolis Civic & Commerce Association. The St. Paul Association of Commerce and the Railroad Commission of South Dakota intervened in its support. The Chicago, Milwaukee & St. Paul Railway Company is the sole defendant. The Chicago Association of Commerce, Traffic Bureau of the Sioux City Commercial Club, and the Sioux Falls Commercial Club intervened in opposition to complainant's request. The Commercial Club of Duluth and the Commercial Club of Mitchell, S. Dak., were also represented at the hearing.

The evidence introduced by the complainant consisted almost entirely of rate comparisons. The rates complained of were shown to be considerably higher than rates for like distances prescribed for intrastate traffic by the state of South Dakota. The distance tariffs prescribed by the states of Minnesota and Iowa for traffic within their respective boundaries were shown to be upon a still lower level. These rates compare as follows with the first-class rates from Minneapolis to Mobridge, Aberdeen, Milbank, and Lemmon, which are typical of the rates against which complaint is made. Throughout this opinion first-class rates, in cents per 100 pounds, are used as typical of all the classes.

	Miles.	Rate.
Minneapolis to Milbank, S. Dak.....	190	57.0
South Dakota distance tariff.....	190	53.1
Minnesota distance tariff.....	190	48.3
Iowa distance tariff.....	190	38.4
Minneapolis to Aberdeen, S. Dak.....	288	77.1
South Dakota distance tariff.....	290	68.4
Minnesota distance tariff.....	290	59.9
Iowa distance tariff.....	290	54.4
Minneapolis to Mobridge, S. Dak.....	386	105.0
South Dakota distance tariff.....	390	81.9
Minnesota distance tariff.....	390	68.8
Iowa distance tariff.....	390	60.5
Minneapolis to Lemmon, S. Dak.....	485	117.0
South Dakota distance tariff.....	490	74.7
Minnesota distance tariff.....	490	65.5
Iowa distance tariff.....	490	65.5

Although we do not feel ourselves bound to accept a state-made rate as a final measure of an interstate rate, we have always given due consideration to rates established by state commissions.

State rates afford standards of comparison of greater or less value according as they appear to be reasonable. * * * This is especially so when the rates are acquiesced in by the carriers. *Willman & Co. v. St. L., I. M. & S. Ry. Co.*, 22 I. C. C., 405.

From other comparisons made by complainant it appears that rates from Minneapolis to Iowa points on defendant's line are on a much lower basis than the rates herein under complaint, and so also rates to South Dakota points on defendant's line to Rapid City, S. Dak. We give below a few comparisons of the rates to South Dakota points on defendant's Rapid City line with the rates to destinations embraced by the complaint.

First-class rates from Minneapolis.

To points on Hastings-Dakota division.	To points on Rapid City line.	Miles.	Rate.
Roscoe, S. Dak.....	Worthing, S. Dak.....	328	86
Mobridge, S. Dak.....	.....	331	90
Tatanka, S. Dak.....	Alexandria, S. Dak.....	386	105
Lemmon, S. Dak.....	.....	387	72
Buffalo Springs, N. Dak.....	White Lake, S. Dak.....	436	117
Montline, N. Dak.....	.....	435	84
	Reliance, S. Dak.....	485	117
	.....	485	108
	Okaton, S. Dak.....	541	130
	.....	554	136
	Kadoka, S. Dak.....	583	130
	.....	589	140

These comparisons show much lower rates for like distances from Minneapolis to defendant's Rapid City line than to the destinations covered by this complaint, except that the farther distant points are upon approximately the same basis. In fairness to defendant it should be stated that its Rapid City line intersects the lines of several carriers having more direct routes from Minneapolis and that therefore the short-line distances to the points on this line are from 50 to 100 miles less than the distance shown above.

Further comparisons made by the complainant show that the rates from Minneapolis and St. Paul under complaint are on the average about 45 per cent higher first class than rates for equal distances from Chicago and Milwaukee to points in Minnesota, Iowa, and South Dakota. In this connection it should be remembered, however, that rates are usually lowest in those sections where traffic is most dense.

Comparisons were also made both by complainant and defendant between the rates under complaint and the rates from the twin cities and from Duluth to points in North Dakota on the lines of the Great Northern and Northern Pacific. Each side claims that these comparisons support its contentions. We have carried these comparisons somewhat further than was attempted at the hearing, and have

also made comparisons with the rates from Minneapolis to points on the trans-Minnesota and Dakota lines of the Minneapolis, St. Paul & Sault Ste. Marie, the Minneapolis & St. Louis, and the Chicago & North Western railroads. The Minneapolis, St. Paul & Sault Ste. Marie crosses the southern part of North Dakota directly north of the defendant's line, while the Minneapolis & St. Louis Railroad parallels defendant's line to the south, extending into South Dakota as far as Le Beau. The rates to points on these two lines for like distances are upon approximately the same basis as the rates to points on defendant's line. This may also be said of the rates to points on the North Dakota lines of the Great Northern Railroad. However, the rates to points in North Dakota on the lines of the Northern Pacific appear to be on a somewhat lower basis than the rates here under complaint.

The rate comparisons submitted by complainant in support of its contentions that the rates complained of are unduly preferential can best be summarized by showing the first-class rates and distances from the various points with which comparisons were made. Such a statement is shown below.

First-class rates from Minneapolis and competing markets to points in South Dakota and North Dakota on the lines of the C., M. & St. P. Ry. Co.

To—	From Minneapolis.		From Chicago.		From Milwaukee.		From Winona.		From Sioux City.		From Duluth.	
	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.
Millbank, S. Dak.....	190	57	605	94	519	94	296	68	293	68	341	68
Bristol, S. Dak.....	249	70	663	110	577	110	354	73	235	62	400	82
Aberdeen, S. Dak.....	288	77	702	114	616	114	393	77	266	66	439	90
Roscoe, S. Dak.....	329	86	744	121	658	121	434	86	307	73	480	100
Mobridge, S. Dak.....	386	105	800	129	714	129	494	105	364	79	537	117
Tatanka, S. Dak.....	438	117	852	177	766	177	543	148	415	106	589	117
Lemmon, S. Dak.....	485	117	899	177	813	177	590	148	463	116	636	117
Branch line points:												
Fargo, N. Dak.....	297	67	709	117	623	117	402	77	423	92	.....	.....
Sisseton, S. Dak.....	227	66	642	101	556	101	333	77	330	75	378	75
Harlem, N. Dak.....	315	72	729	112	643	112	419	75	301	85	.....	.....
Edgeley, N. Dak.....	352	83	766	127	680	127	456	83	329	90	.....	.....
Linton, N. Dak.....	404	99	819	128	733	128	510	99	383	88	.....	.....
Orient, S. Dak.....	370	87	785	122	699	122	476	87	349	78	.....	.....

In order to show more clearly the rate relationship between Minneapolis and its competing markets we give another table showing the amounts by which the Chicago, Milwaukee, Winona, Sioux City, and Duluth distances and first-class rates exceed the distances and first-class rates from Minneapolis. The results shown in this table are deduced from the table above.

Amounts by which Chicago, Milwaukee, Winona, Sioux City, and Duluth distances and first-class rates exceed distances and first-class rates for Minneapolis.

To—	From Chicago.		From Milwaukee.		From Winona.		From Sioux City.		From Duluth.	
	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.
Milbank, S. Dak.....	415	37	329	37	106	11	103	11	151	9
Bristol, S. Dak.....	415	40	329	40	106	3	— 14	— 8	151	12
Aberdeen, S. Dak.....	415	37	329	37	106	0	— 22	— 11	151	6
Roscoe, S. Dak.....	415	35	329	35	106	0	— 22	— 13	151	17
Mobridge, S. Dak.....	415	24	329	24	106	0	— 22	— 26	151	12
Tatanka, S. Dak.....	415	60	329	60	106	31	— 22	— 11	151	0
Lemmon, S. Dak.....	415	60	329	60	106	31	— 22	— 1	151	0
Branch line points:										
Fargo, N. Dak.....	415	50	329	50	106	10	126	25	.....	.....
Sisseton, S. Dak.....	415	35	329	35	106	11	103	9	.....	8
Harlem, N. Dak.....	415	40	329	40	106	3	— 14	13	.....	.....
Edgeley, N. Dak.....	415	44	329	44	106	0	— 22	— 7	.....	.....
Linton, N. Dak.....	415	29	329	29	106	0	— 22	— 11	.....	.....
Orient, S. Dak.....	415	35	329	35	106	0	— 22	— 9	.....	.....

From these tables it appears that while the distances from Chicago to the points designated are from 185 to 316 per cent greater than the distances from Minneapolis, the Chicago rates exceed the Minneapolis rates by from 129 to 175 per cent. The Winona distances exceed the Minneapolis distances by from 122 to 155 per cent, but the rates are in many instances the same. From Sioux City the distances are in many instances less than from Minneapolis. It appears that for an excess haul of approximately 22 miles Minneapolis pays from 1 to 22 cents per 100 pounds more than Sioux City on first-class traffic, while at points where the Sioux City distances exceed the Minneapolis distances by as high as 103 miles the rates exceed the Minneapolis rates by only 9 cents per 100 pounds. The Duluth distances exceed the Minneapolis distances by from 131 to 179 per cent, while the rates from Duluth range from 100 per cent to 120 per cent of the Minneapolis rates. The Duluth distances, however, are not short-line distances, the short line from Duluth to the points named being in each instance 58 miles less than via defendant's route through the twin cities. From Chicago, Milwaukee, and Winona the short line is through the twin cities. The distances shown from Sioux City are short-line distances.

In connection with the comparison between the rates from Minneapolis and Chicago to South Dakota and North Dakota points attention was called to the inbound rates to Minneapolis and Chicago from the east. The most direct route from Chicago to the territory of destination herein involved is via the twin cities, and the most direct all-rail route from the east to the twin cities is via Chicago. Consequently the distance from Chicago to the twin cities constitutes the difference between the Chicago and the twin-city distances, both in the case of

the movement from the east to these points and in the movement from Chicago and Minneapolis to the west. However, while the first-class rate from New York to Minneapolis exceeds the first-class rate from New York to Chicago by 40 cents, and the first-class rate Pittsburgh to Minneapolis exceeds that from Pittsburgh to Chicago by 50 cents, the Chicago rates to the Dakota destinations involved in some cases exceed those from the twin cities by as little as 24 cents per 100 pounds. The local rate Chicago to the twin cities is 60 cents per 100 pounds first class. The Chicago rates to destinations on defendant's transcontinental line exceed the rates from Minneapolis to the same destinations by 48.5 cents, first class, at Granite Falls, Minn.; 37 cents at Milbank, S. Dak.; 40 cents at Bristol, S. Dak.; 24 cents at Mobridge, S. Dak.; 60 cents at Tatanka, S. Dak.; and continue at this differential almost to the Pacific coast. The relation between the rates from Chicago and Minneapolis to points on other North and South Dakota lines is as follows: To destinations on the transcontinental lines of the Northern Pacific, Great Northern, and the Minneapolis, St. Paul & Sault Ste. Marie the Chicago rates with only a few exceptions exceed the twin-city rates by the full local rate Chicago to Minneapolis, ranging from 60 cents first class to 13 cents class E. The lines south of defendant's transcontinental line, which extend into but not through South Dakota, publish rates from Chicago which are upon a more favorable basis as compared with the twin cities. The Chicago & North Western Railroad, for instance, for an excess distance of 332 miles publishes rates from Chicago which exceed the rates from Minneapolis to Marshall, Minn., by 39.6 cents first class, to Raymond, S. Dak., by 34 cents, and to Gettysburg, S. Dak., by 24 cents. The rates of the Chicago, Rock Island & Pacific Railway from Chicago exceed the rates from Minneapolis to Watertown, S. Dak., by 33 cents, first class, and to Elkton, S. Dak., by 24 cents. The Chicago distances to these points exceed the Minneapolis distances by 371 and 394 miles, respectively. The Chicago rates to South Dakota points on the Minneapolis & St. Louis Railroad exceed the twin-city rates by from 26 to 41 cents first class for an excess distance of 370 miles. Although complainant does not contend that the rates from Chicago to destinations in the Dakotas should be on the basis of the full combination of locals on the twin cities, it is argued that, measured by the proportional rates which the twin-city merchant is required to pay for the haul from Chicago to the twin cities on through traffic from Pittsburgh, and bearing in mind that the haul from the twin cities to the Dakota destinations is shorter than the haul from Pittsburgh to the twin cities, the rates from the twin cities to South Dakota points should be at least 55 cents first class under the rates contemporaneously charged from Chicago to the same points. It is argued

that the low inbound rates to the twin cities are a natural advantage, by virtue of the proximity of the twin cities to the head of the lakes, and that they can not rightfully be deprived of this advantage by the exaction of high, or relatively high, outbound rates to the territory under consideration.

However, it is further argued by complainant that the twin cities form an important manufacturing center, and that when viewed from this standpoint it becomes evident that the rates to the Dakota destinations must be considered in and of themselves, independent of the total charge inbound and outbound which the distributors and wholesale merchants located at the twin cities and at competing markets must pay.

At the hearing defendant and the interveners who came to its support entered an objection to the sufficiency of the complaint on the ground that all the carriers who will be affected by the rate adjustment which complainant seeks to attain have not been made parties. The Minneapolis, St. Paul & Sault Ste. Marie, and the Minneapolis & St. Louis railroads have lines paralleling defendant's line in the Dakotas as far westward as the Missouri River, and it is asserted that any reductions made in the rates to points on defendant's line will compel like reductions on the lines of the other carriers serving the same general territory. Defendant suggests that complainant is directing its attack against the rates to points on defendant's transcontinental line because the density of traffic is greater via this line and the mileage shorter than via most of the competing lines in the territory of destination involved. The competing carriers had opportunity to intervene if they so desired. In *Lum v. G. N. Ry. Co.*, 21 I. C. C., 558, 561, a similar objection was raised, with regard to which we used the following language:

The fact that all of the carriers operating in the Mesaba district and all of the carriers and parties interested in the ore rates are not made parties to the proceeding is immaterial in its bearing upon the legality of this complaint. A complainant can not be expected to search public and private records with the view of discovering all parties that may be interested in a certain proceeding. Full publicity attends every step of all proceedings before the Commission, and it must be assumed that parties interested will take notice of what is going on.

A further objection is raised by the defendant and interveners to complainant's testimony on the ground that no shipper or party directly interested in the rates testified. It appears from the record, however, that Minneapolis shippers were present at the hearing and were ready to confirm the representations made by complainant's traffic manager and the traffic manager for the St. Paul Association of Commerce but were not called as witnesses because of the short time allotted for the hearing. In some cases the testimony of shippers is essential. This is especially true when reparation is to be

awarded. However, comparison with rates in near-by territory or elsewhere where the same general conditions exist may often suffice without other showing to indicate that the rates complained of are discriminatory or excessive. We call attention to the following language from our opinion in *Lum v. G. N. Ry. Co.*, *supra*, at p. 561:

With respect to the contention of defendant that complainant is not qualified to make a complaint, and that, in the absence of any complaint from any party actually interested, this proceeding should be dismissed, we call attention to the last sentence of section 13 of the act to regulate commerce:

"No complaint shall at any time be dismissed because of the absence of direct damage to the complainant."

In support of defendant's contention that the rates from the twin cities to its South Dakota and North Dakota destinations are just and reasonable, comparisons are made with the rates of other carriers in the same general territory. These comparisons we have already fully discussed.

It is further argued in defendant's behalf that in making comparisons of the total charges inbound from eastern points and outbound to Dakota destinations, which must be paid by the wholesale merchants and jobbers at Chicago, Minneapolis, and competing markets, consideration should be given to the comparatively low inbound lake-and-rail rates to the twin cities. Via the lake-and-rail route the rates from New York to the twin cities exceed those via lake and rail to Chicago by 21 cents first class. While the combinations on the twin cities of rates via the all-rail routes from New York, Pittsburgh, and other eastern points exceed the combinations all rail via Chicago, the combinations on the twin cities via the lake-and-rail routes are in all cases less than on Chicago. The combinations on Sioux City are greater than on the twin cities both via the all-rail routes and the lake-and-rail routes. The rates from the east to Winona are the same all rail and lake and rail as to the twin cities, and therefore in cases where Winona takes the same rates as the twin cities to points in South Dakota the combinations on the two points are the same. It is stated by the defendant and the interveners that the twin-cities adjustment is the dominant factor in the Dakotas; that it is a standard which the carriers have tried to equalize from these competing markets. It is argued that competition between markets and railroads for the business of a certain consuming territory should be encouraged rather than retarded and that it is proper for carriers to adjust their rates so as to place markets upon an equalized basis.

On behalf of the Chicago Association of Commerce exhibits were introduced in evidence showing that if the Minnesota distance tariff were used as a basis for measuring the differentials for the excess distance in the westward movement of 415 miles Chicago over the twin cities, the differentials arrived at would be much lower than

those at present in effect. This result is attained by applying the same progressive ratio of increase per 100 miles to the excess distance Chicago over the twin cities as exists in the Minnesota distance tariff 300 to 400 miles. Similarly the ratio of increase in rates for a distance of 400 miles over the rates for a distance of 300 miles as found in the Illinois state scale, the Missouri state scale, the Nebraska state scale, and central freight association scale were applied to the excess distance Chicago over the twin cities, and in each case it was found that the resulting differentials would be lower than those at present in effect. These comparisons, however, could only be recognized as proper if the distance scales which were used in the computation were applied in fixing the rates from the twin cities to the Dakota destinations.

Our attention was also called to the lines of the Chicago, Rock Island & Pacific Railway and the Illinois Central-South Dakota Central railways, which extend from Chicago to points in northern South Dakota, adjacent to some of the points here in issue. The northern terminus of these lines is Watertown, S. Dak., and it is stated that since these carriers reach Chicago and not the twin cities, they are essentially interested in maintaining Chicago upon a competitive basis. In *In re Class Rates to Watertown, S. Dak.*, 26 I. C. C., 635, we approved an increase in the rates via these lines from Chicago to Watertown of from 88 cents to 96 cents, first class. The rates via defendant's line from Chicago to Aberdeen, S. Dak., which is a small distributing center competitive with Watertown, are \$1.14 first class.

It is further argued in defendant's behalf that the volume of traffic which moves from Minneapolis to the points in controversy as compared with that which moves from competing markets evidences an equitable rate adjustment. In support of this contention defendant submitted a statement showing the receipts of less-than-carload freight at stations on the Hastings & Dakota division in Minnesota, North Dakota, and South Dakota during the 11 months from January, 1913, to November, 1913, inclusive. This statement shows that the freight coming to these stations from Chicago including shipments which moved through Chicago from the east totaled approximately 29,000,000 pounds, while freight billed from the twin cities at Minnesota Transfer, no through shipments being included, totaled 98,000,000 pounds. To North Dakota and South Dakota destinations the Chicago shipments totaled 18,000,000 pounds as against 29,000,000 pounds from the twin cities. In this connection reference is made to our decision in *Receivers & Shippers Asso., of Cincinnati, v. C., N. O. & T. P. Ry. Co.*, 18 I. C. C., 440, 458, 459, where we said:

It is a maxim of rate making that the rate should be such, if possible, as to move the traffic. Within certain limits a railroad is bound to protect its territory, and within those limits this Commission may consider the rates and their effect upon the

movement of traffic. The east and the west find a common market in this section of the south, and in determining whether the present rates from the west are reasonable one subject of inquiry is the movement of traffic under the present rates. It has been fifteen years since the former case was decided, and during all that time these rates have continued in effect. How has traffic actually moved under them from these two sections?

* * * * *

The question is whether the west has a fair rate for the movement of its manufactures and merchandise into the south. * * * The defendants were required to file a second statement showing the movement at class rates and the movement of manufactured articles and merchandise at commodity rates, from which it appears that nearly one-half the tonnage of these articles moving from the west is at commodity rates, while from the east the movement is largely under class rates. It also appears from this statement that the movement under first and second class rates is larger from the east than from the west, although the entire movement under class rates is larger from the west than from the east.

The fair inference from all these statements seems to be that this relation in rates between the east and the west which has been in effect for the last third of a century does not to-day abnormally promote the movement of traffic from either section.

With regard to the rate relationship between the twin cities and Duluth, it is argued by defendants that the Duluth rates are not properly in issue because no mention was made of this comparison in the complaint. It is also asserted that defendant is compelled to publish rates from Duluth to points on its line which are competitive with those maintained by the Northern Pacific. The Northern Pacific crosses southern North Dakota running parallel with defendant's transcontinental line.

On behalf of the traffic bureau of the Sioux Falls Commercial Club, it is contended that no reduction should be made in the rates from the twin cities to South Dakota points, because of the resultant disadvantage to wholesale merchants and jobbers at Sioux Falls and other South Dakota points.

On the present record we find that complainant has not proved the existence of undue discrimination in the rates from the twin cities to South Dakota points as compared with those to the same points from competing markets. To a certain extent carriers are justified in placing competitive markets upon an equal basis. This was recognized in *Indianapolis Freight Bureau v. C., C., C. & St. L. Ry. Co.*, 15 I. C. C. 504, 512:

Nor can the Commission hold that because the proportionals from Chicago to Cincinnati are not higher than the proportionals from Indianapolis by the same percentages as the Chicago mileage is in excess of the Indianapolis mileage such an adjustment ipso facto gives undue preference and advantage to the Chicago shipper and subjects the Indianapolis shipper to unjust discrimination. It is evident that proportional rates from a more distant point must be less per mile to permit that place to compete in the common market; and the Commission does not feel warranted in condemning a system of rate making whereby wholesome competition between producing centers in a common market is preserved when no showing is made that the rates complained

of are unreasonable or do in fact result in unjust discrimination or that the more advantageous geographical location of one point has been disregarded and vitiated by an abnormal adjustment.

However, in some instances the rates from Minneapolis to the destinations herein involved are unjust and unreasonable *per se*. This becomes evident when it is observed that in many instances the rates from Minneapolis and St. Paul to points on defendant's transcontinental line including the destinations here involved increase in the movement westward greatly out of proportion with the increase in distance. The most marked example of this is found immediately upon crossing the Minnesota-South Dakota boundary, as is shown in the table below.

From Minneapolis to—	Miles	Class rates, in cents per 100 pounds.									
		1	2	3	4	5	A	B	C	D	E
Milbank, S. Dak.....	190	57.0	49.0	37.0	28.0	23.0	23.0	20.0	17.0	14.0	12.0
Big Stone City, Minn.....	179	46.3	38.6	30.9	23.1	18.5	20.8	16.2	13.9	11.6	9.3
Difference.....	11	10.7	10.4	6.1	4.9	4.5	2.2	3.8	3.1	2.4	2.7

Milbank, S. Dak., is the first station beyond the Minnesota-South Dakota boundary, while Big Stone City, Minn., is the last station in Minnesota before reaching the boundary line. It will be observed that although Milbank is only 11 miles beyond Big Stone City the spread in the rates from Minneapolis to these two cities is as high as 10.7 cents first class. The disproportionate increase in rates at Milbank as well as at other South Dakota and North Dakota points is also evidenced by the increase with increased distance of the per-ton-mile revenue derived under the prevailing rates. This is illustrated in the table below, which shows the first-class rates, the distance from Minneapolis, and the resulting per-ton-mile revenue to representative points along defendant's transcontinental line.

From Minneapolis, Minn., to—	Miles.	First-class rates.	
		Per 100 pounds.	Per ton-mile.
Main-line points:		Cents.	Cents.
Glencoe, Minn.....	51	21.8	8.55
Buffalo Lake, Minn.....	75	25.7	6.85
Danube, Minn.....	99	30.6	6.18
Granite Falls, Minn.....	121	35.5	5.87
Montevideo, Minn.....	134	37.5	5.60
Appleton, Minn.....	157	42.4	5.40
Big Stone City, Minn.....	179	46.3	5.17
Milbank, S. Dak.....	190	57.0	6.00
Summit, S. Dak.....	213	59.0	5.54
Waubay, S. Dak.....	226	64.0	5.66
Bristol, S. Dak.....	248	70.0	5.65
Andover, S. Dak.....	258	70.0	5.42
James, S. Dak.....	273	77.0	5.64
Aberdeen, S. Dak.....	287	77.0	5.36

From Minneapolis, Minn. to—	Miles.	First-class rate.	
		Per 100 pounds.	Per ton-mile.
		Cents.	Cents.
.....	313	83.0	5.31
.....	328	85.0	5.36
.....	343	90.0	5.54
.....	354	100.0	6.00
.....	385	105.0	6.44
.....	409	117.0	7.27
.....	438	117.0	7.31
.....	463	117.0	7.66
.....	485	117.0	7.62
.....	509	125.0	7.91
.....	541	130.0	8.09
.....	562	134.0	8.17
.....	583	139.0	8.38
.....	615	160.0	9.15
.....	1,008	210.0	12.16
.....	1,219	220.0	12.81
.....	1,294	235.0	13.61
.....	1,313	245.0	13.77
.....	1,662	295.0	16.52
.....	1,718	300.0	16.86
.....	1,755	300.0	16.86
.....	249	54.0	4.34
.....	297	57.0	4.50
.....	207	64.0	5.19
.....	227	66.0	5.28
.....	286	70.0	5.49
.....	315	72.0	5.59
.....	352	82.0	6.71
.....	326	77.0	6.72
.....	329	77.0	6.86
.....	388	77.0	7.07
.....	417	75.0	7.19
.....	370	87.0	7.31
.....	404	90.0	7.39
.....	374	95.0	7.60
.....	449	117.0	8.21
.....	540	127.0	8.87
.....	497	127.0	8.11
.....	550	137.0	8.96
.....	498	137.0	8.10

It will be observed that the per-ton-mile revenue gradually decreases with increased distances at defendant's Minnesota stations until it reaches 5.1 cents at Big Stone City, Minn., 179 miles from Minneapolis. Upon crossing the Minnesota-South Dakota boundary, however, the revenue per ton-mile increases to 6 cents at Milbank, S. Dak., and remains higher than at Big Stone City at all stations on the main line up to and including Tatanka, S. Dak., which is 438 miles from Minneapolis and 259 miles beyond Big Stone City. The rate Minneapolis to Tatanka is \$1.17 first class, and yields 5.34 cents per ton-mile. The decline in the per-ton-mile revenue at South and North Dakota stations from the high point at Milbank of 6 cents to the low point at Montline of 4.76 cents is not uniform. It will also be observed that toward the ends of the

branch lines extending northward and southward from the main line the rates are on a comparatively lower per-ton-mile basis than for similar distances on the main line. This is due to the intersection with the branch lines of the more direct lines from the twin cities of the Minneapolis, St. Paul & Sault Ste. Marie, Northern Pacific, Great Northern, Minneapolis & St. Louis, and Chicago & North Western.

It is our opinion that the increase in rates to South Dakota and North Dakota points on defendant's transcontinental line should be more gradual. To effect this result we have prescribed in the table given below rates for distances up to 600 miles which should be observed by defendant as maxima for the future for like distances in the movement from the twin cities to the destinations herein involved. We find that the present rates are unjust and unreasonable in so far as they exceed those named in the table below:

Miles	Class rates in cents per 100 pounds.									
	1	2	3	4	5	A	B	C	D	E
200.....	52	43	34	26	21	21	18	16	13	10
201 to 220.....	57	48	38	29	23	23	20	17	15	11
221 to 240.....	62	52	41	31	25	25	22	19	16	12
241 to 260.....	66	56	44	34	27	27	23	20	17	13
261 to 280.....	71	60	47	36	28	28	25	21	18	14
281 to 300.....	76	64	50	38	30	30	26	23	19	15
301 to 320.....	80	67	53	40	32	32	28	24	20	16
321 to 340.....	85	71	56	43	34	34	30	26	21	17
341 to 360.....	89	75	59	45	36	36	31	27	22	18
361 to 380.....	94	79	62	47	38	38	32	28	24	19
381 to 400.....	98	82	65	49	39	39	34	29	25	20
401 to 420.....	102	85	68	51	41	41	35	30	25	20
421 to 440.....	106	90	70	53	43	43	37	32	26	21
441 to 460.....	111	93	74	56	44	44	39	33	28	22
461 to 480.....	115	97	77	58	46	46	41	35	29	23
481 to 500.....	119	100	79	60	48	48	42	36	30	24
501 to 520.....	123	103	82	62	49	49	43	37	31	25
521 to 540.....	127	107	84	64	50	50	44	38	32	26
541 to 560.....	130	110	87	65	52	52	46	39	33	26
561 to 580.....	134	113	89	67	54	54	47	40	34	27
581 to 600.....	138	116	92	70	56	56	49	42	35	28

Commissioner CLARK took no part in the decision of this case.

IN THE MATTER OF THE SEPARATION OF OPERATING EXPENSES.

Submitted May 2, 1914. Decided June 13, 1914.

1. The question of requiring carriers to separate their operating expenses between freight and passenger services as outlined in statistical series circular No. 3 being considered by the Commission: *Held*, That sufficient reason exists for requiring the extension of this separation beyond what has been required heretofore in the Commission's annual report.
2. Circular No. 3 will be revised and if sufficient progress can be made carriers will be asked to file a special report for the year ending June 30, 1915.
3. As early as practicable all carriers of class I will be required to assign and apportion all operating expenses between passenger and freight services on bases which will be prescribed.

W. J. Meyers and *Max O. Lorenz* for Interstate Commerce Commission.

W. D. Beymer for Central of Georgia Railway Company.

W. A. Colston, *G. W. Lamb*, and *A. J. Pharr* for Louisville & Nashville Railroad Company.

J. W. Cox for Norfolk & Western Railway Company.

A. D. McDonald and *Fred H. Wood* for Southern Pacific Company.

H. T. Newcomb for Delaware & Hudson Company.

A. H. Plant for Association of American Railway Accounting Officers.

H. C. Prince for Atlantic Coast Line Railroad Company.

E. J. Rich for Boston & Maine Railroad.

L. A. Robinson and *C. C. Wright* for Chicago & North Western Railway Company.

C. I. Sturgis for Chicago, Burlington & Quincy Railroad Company.

J. A. Taylor for Central Railroad Company of New Jersey.

R. A. White for New York Central lines.

L. D. Brandeis and *J. P. Muller*.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

Statistical circular No. 3, issued by the Commission through the division of statistics, contained a proposed order requiring railway companies having annual operating revenues of \$100,000 and over, covering roads of classes I and II, to report to the Commission separately the greater portion of their freight and passenger ex-

penses, certain common expenses being left unapportioned. A copy of this circular was sent to all railroad companies of these classes under date of March 19, 1914. In order that the subject might be thoroughly discussed a public hearing was held before the Commission in Washington on May 2, 1914. Briefs were filed both before and after the hearing.

The question before us is not new. Prior to 1894 a separation of freight and passenger expenses was made in the reports of the carriers. From 1888 to 1893, inclusive, the results of this separation were published by the Commission in its annual statistical report. The rule which was followed in the separation as made at that time is quoted below:

All expenses which are naturally chargeable to either freight or passenger traffic should be entered in their respective columns; expenses which are not naturally chargeable to either traffic should be apportioned on a mileage basis, making the division between freight and passenger traffic in the proportion which the freight and passenger train mileage bears to the total mileage of trains earning revenue.

Soon after this separation of expenses was inaugurated railroad accountants began to suggest that it be discontinued. As early as 1890 a committee was appointed by the National Association of Railroad Commissioners to report upon the question. At the fourth annual convention of this association in 1892 the subject was actively discussed. It was not until 1893, however, that it was finally disposed of by the adoption of the report of the committee that the practice be discontinued. Under date of February 12, 1894, the statistician of the Commission advised the carriers that thereafter a separation of operating expenses between freight and passenger service need not be made.

From an examination of the early reports of the carriers, it is clear that the belief of those making the returns was that only a very few expenses were "naturally chargeable" to one service or the other. An arbitrary division of all, or nearly all, expenses on a train-mileage basis is useless, and the discontinuance of the separation at that time was undoubtedly justified. During the last 20 years, however, railway accounting and accounting generally have greatly developed, and for this reason a reconsideration of the matter at the present time seems warranted.

The arguments advanced in support of a separation of the expenses at the present time were that it would be a material aid in the determination of the cost of railway services, not only as between the two services—freight and passenger—as a whole, but also in determining the cost of particular classes of traffic, for the reason that the separation of freight and passenger expenses is fundamental in all cost of service inquiries. That an authoritative formula would

simplify their work to a certain extent in rate cases is the argument urged by some of the carriers for a general separation between freight and passenger services of all operating expenses, leaving none unapportioned. It was also claimed that the proposed reports would be of assistance in the study of comparative costs among railways.

The argument was advanced by one carrier that it is desirable to compare only total expenses with total revenues. The proper revenue of a carrier having then been determined, rates should be made in the various branches of the traffic solely on the basis of public utility. We do not believe, however, that sufficient reason has been given for abandoning the policy consistently pursued by the Commission of giving consideration to cost in establishing rates. What weight to give to the cost factor depends upon the particular case. The question now before us is the practicability of providing for the ascertainment of cost figures in the general manner indicated in circular No. 3.

In the case of manufacturing concerns it has been shown to be practicable to make some estimate regarding the cost of the individual articles manufactured. This is done not only as a basis for comparison of the efficiency of various departments, but also as a basis for ascertaining at what price the manufactured product should be sold. This naturally suggests the question whether it is not possible to pursue the same or similar methods in the accounting of railway companies. There is probably a difference in the extent to which the ascertained cost could be utilized as between manufacturing and railway companies, for the reason that a manufacturer may discontinue to manufacture a product which he finds to be unprofitable, whereas a railway may be compelled to continue an unprofitable service.

The actual practice of railway companies is helpful in the consideration of the question now before the Commission. For approximately one-half the mileage of the large carriers in the United States, operating expenses are now being divided between freight and passenger service. Among the railroads which make this separation are the Pennsylvania lines east and west of Pittsburgh, the Erie, the Baltimore & Ohio, the Louisville & Nashville, the Chicago, Burlington & Quincy, the Great Northern, and Northern Pacific. On the other hand, the New Haven, the Boston & Maine, the New York Central lines, the Southern, the Union Pacific, and Southern Pacific systems do not make a complete separation of all of their operating expenses between passenger and freight, although some of the important transportation accounts may be kept separately for the two services.

The officials of the roads which make this voluntary separation state that it is done in order to secure efficiency and not for rate-making purposes. If the comparison is made on the same basis year

after year, these officials state that it is not important whether the arbitraries which are used are exactly correct or not. To their minds what is exact enough for efficiency purposes could not be considered sufficient as a basis for rate making. It was also argued that the method of keeping these statistics is different when made for efficiency comparisons from what it would be when made suitable for cost of service accounting. Nevertheless the impression seemed to prevail that circular No. 3, as submitted to the carriers, does not conflict with efficiency accounting.

It is erroneous to suppose that the Commission is interested in statistics of this character merely for the purposes of rate making. The statistics would be valuable in making comparisons from year to year for the same railroad and for different roads in the same year. It is the duty of the Commission to keep itself informed regarding the manner in which the railway business is conducted, and a knowledge of the variations in unit costs is valuable to us even if no rates are based thereon.

The assumption that railway cost accounting can not be made sufficiently accurate for useful consideration in dealing with rates does not seem warranted. Although not possible 20 years ago, it would appear that at the present time approximately two-thirds of the operating expenses of a railroad can be separated in a reasonably satisfactory manner. The separation of the remaining one-third is useful if a basis is selected which equitably measures the use which either service makes of common facilities. This indicates the extent to which freight expenses can be subdivided among the various branches of freight traffic. Just as fuel, wages, and other direct expenses can be ascertained as between freight and passenger trains, so can they be distinguished as between individual freight trains.

It was urged that should the Commission really need information concerning costs, a special study could be undertaken at any time and be pursued until the requirements of the individual case had been met. Special studies will always be necessary, but they can not take the place of general statistics systematically compiled year after year. The latter, so far as they are applicable, are looked upon as more reliable than those which are collected for any particular case. Whether rightly or wrongly, "special purpose" statistics rarely command that confidence which inheres in figures that are kept continuously on accepted bases without reference to a particular controversy.

It was suggested at the hearing that the Commission should wait until the courts had rendered decisions in certain pending rate cases before making a requirement of this character. What the courts have said must carefully be considered and conformed to. As to the cases before the courts at the present time, we believe that the courts

have a right to look to this Commission and to the various state commissions for a careful study of railway statistics and accounts. What the Supreme Court said in the *Minnesota Rate case*, *Simpson v. Shephard*, 230 U. S., 352, in regard to the distribution of capital charges is an incentive to proceed with the work. The court said in that case that after distributing to each class of traffic the property exclusively used by it, comparable use units might be found for distributing the property used in common.

The possible misuse of information collected was also urged as a reason for not developing the subject of railway cost accounting. It was urged that to give cost accounting information to the public would be the same as giving dangerous instruments to children. The systematic development of this subject and its free discussion in the light of all information available is the best safeguard against the misuse of cost figures. There is reason to believe that the failure of carriers to develop cost figures along permanent lines has been responsible for some of the events regarding which many of them have complained in the present hearing. The action of certain state legislatures and commissions was alleged to have been unjust and unreasonable. Commissions and legislatures are not intentionally unfair, and if any of them have enforced unjust rates would not the kind of statistics here contemplated have convinced them that some other schedule would have been fairer? Would not this class of statistics command confidence which specially prepared figures can not always do? Comparisons of expense and performance have long been made by carriers in contested cases before the Commission. These have nearly always rested upon transient data. Those of the future should be based upon permanent analyses and compilations.

The fact that circular No. 3 provides for a separation for only a part of the accounts was referred to. A distinction is to be noted between those expenses which can be distributed between freight and passenger service only from an analysis of pay roll and vouchers, and those which must be distributed on various statistical bases. For the greater part circular No. 3 deals with the former class of expenses. If these expenses were analyzed, it would be possible to complete the distribution for other accounts with the statistical bases which are in our possession. However, the information which is called for by circular No. 3 would be useful in ascertaining particular cost units among railways for different years and for the same railway from year to year. Nevertheless we believe that we should proceed to work out a complete formula for all expenses and require a separation of all expenses on prescribed bases.

The expense of making cost analyses was one of the chief arguments against the adoption of such a requirement. If followed out continuously in the closest detail, it may be that the expense would be

prohibitive. That is not suggested here, and a division between freight and passenger service alone will not involve additional expense which can not be justified. The carriers were asked to submit estimates as to the expense of complying with circular No. 3. A request was made for a second estimate, based upon a modification of the circular along the lines suggested by the carriers. Copies of these replies were sent to the chairman of the Association of Railway Accounting Officers. In his opinion, compliance with the circular would mean an expense of \$8.78 per mile of road, or a total of \$2,057,478 for carriers having operating revenues in excess of \$100,000 per annum. This estimate is probably substantially correct if it is intended, as it appears to be, to cover a literal compliance with the circular as interpreted by him; but that is not what is here proposed.

The wide variation in the estimates is noteworthy. No satisfactory explanation has been advanced as to why it should cost the Lackawanna \$78.29 per mile, the Lehigh Valley \$18, the Southern \$14.25, and the Southern Pacific only \$3.17. If expense alone were to be the determining factor it would be necessary to have a new estimate after circular No. 3 has been revised in the light of the suggestions received.

Another argument in opposition was that after a simple and relatively inexpensive division between freight and passenger service had been instituted, more comprehensive and expensive requirements would be made in the future. Future requirements must rest upon their own merits and the future alone can decide whether additional requirements will justify the added expense. The carriers also contend that a division would have to be made between state and interstate traffic, because the Commission has no jurisdiction over intrastate traffic. This argument overlooks the fact that it is not claimed that circular No. 3 would be sufficient in all cases. If it should become necessary for the Commission or a court to know the total expenses for interstate passenger traffic the work involved would be simplified very much if the division between freight and passenger service as a whole could be accepted at the start. Moreover, the Commission has considered cost in many freight cases and has never found it necessary to separate the state from the interstate cost. Cost does not change because a state line is crossed. The length of the haul and the volume of the traffic are among the determining factors in arriving at cost.

In our opinion ample reason exists for requiring railway companies to extend their analysis of operating expenses with respect to freight and passenger traffic beyond that which has hitherto been required in the annual reports. Circular No. 3 will be revised in the light of suggestions received, and a workable plan developed which will not be unduly burdensome to the carriers and which will yield

statistical results of a fundamental character of value alike to carriers and the Commission. Additional conferences will be held with the view of eliminating and minimizing as far as possible all objectionable features. It does not seem practicable to do this effective July 1, 1914. If sufficient progress can be made in the perfection of the circular, carriers will be asked to file a special report for the year ending June 30, 1915, showing the separation between freight and passenger expenses. As early as practicable all carriers in class I will be required to separate operating expenses for each account as follows:

1. Expenses directly assigned to freight service.
2. Expenses directly assigned to passenger, and allied, services.
3. Expenses apportioned to freight service on prescribed bases.
4. Expenses apportioned to passenger and allied services on prescribed bases.

No operating expenses are to be left unapportioned.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 6225.

**TRANSPORTATION BUREAU OF THE NEW SEATTLE
CHAMBER OF COMMERCE ET AL.**

v.

GREAT NORTHERN RAILWAY COMPANY.

Submitted March 13, 1914. Decided June 27, 1914.

1. The defendant's commodity rate of 3 cents per 100 pounds, applicable to the movement of shingles and lumber from Ballard to Seattle for interchange at the latter place with other roads held not to be unreasonable in so far as it results in charges not greater than \$10.50 per car.
2. The arrangement suggested by the Great Northern for joint rates between it and the Chicago, Milwaukee & St. Paul Railway on the flat Seattle basis, applicable to traffic from complainants' mills to noncompetitive local points on the latter road, is a proper one and should be adopted.
3. Apart from the possible consequences flowing from the nature of the service or the form of the charge, defendant's contention that the Commission should prohibit the absorption by competitive roads of its established charges applicable to the movement over its terminal between Ballard and Seattle, is not sustained. Assuming it is possible to prevent absorption, the proviso in the second paragraph of section 3 of the act does not impose such a duty upon the Commission. The Commission's duty is to pass upon the reasonableness of the established charges, and the act does not require that in so doing it shall take into its calculations the consideration of the possibility of the absorption of the charge by competitive roads.

S. J. Wettrick and W. A. Mears for complainants.

J. F. Finerty, jr., for defendant.

REPORT OF THE COMMISSION.

MEYER, Commissioner:

This proceeding concerns the propriety of charges established by the single defendant, the Great Northern Railway Company, for what may be termed interchange service between Ballard and Interbay and Seattle. Ballard and Interbay are stations on the Great Northern north of Seattle, but are within the corporate limits of the city of Seattle. It involves, broadly speaking, a question as to the use of the Great Northern's terminal tracks between Ballard and Seattle by competitive roads. Prior to August 1, 1913, the charges were \$4.50 per car from Ballard to Seattle, and \$3 per car from Interbay to Seattle. On that date the Great Northern canceled these charges

and substituted the following charges, made on the distance class-rate basis.

For distances of 5 miles or under:

Class....	1	2	3	4	5	A	B	C	D	E
Rate....	10	9	7	6	5	5	4	3	3	2

For distances over 5 and not exceeding 10 miles:

Rate....	14	12	10	8	7	7	6	4	4	3
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Interbay, it is stated in defendant's brief, is 4.7 miles from Seattle, and Ballard over 6.

The complainants most interested are certain shingle mills located on what is known as Sobey spur, a track about 1,800 feet long, which at one end is connected with the Great Northern's tracks at Ballard. While the complaint put in issue the question of the propriety of all the new class rates above quoted, and it was argued that it was important to fix all these rates on a reasonable basis, complainants appeared to be interested principally in the lumber and shingle traffic from Ballard. Some testimony was introduced as to the rates from Interbay, but it appears that there is only one industry located at that point, a brewery, which receives and makes shipments from the team track of the Great Northern, and these shipments are mostly intrastate.

It should be noted that while nothing was said at the hearing in this regard, the tariff of August 1, 1913, also provided for lumber and shingle commodity distance rates which, however, were on the same basis as the class rates above quoted. These commodity rates were in force until November 1, 1913, when they were superseded by the class-E rate of the distance class rates above quoted. These class rates, the ones discussed at the hearing, have now in turn been superseded. The current tariff of the Great Northern, I. C. C. No. A-3834, effective June 12, 1914, eliminates in the case of Ballard the distance class rates above quoted, but establishes commodity rates on lumber and shingles from Ballard and Interbay on the same basis as the former class-E rates, namely, 3 cents and 2 cents per 100 pounds, respectively. The present class rates are specific rates, and, it may be noted, are the same from Ballard as from Interbay.

The case concerns the Great Northern's rates, not as rates for the local movement between Ballard and Seattle, but as part of the through charges for the transportation of complainants' products to eastern destinations; that is, as interchange rates between the Great Northern and connecting roads at Seattle. There the Great Northern joins the Chicago, Milwaukee & St. Paul Railway Company, hereinafter called the Milwaukee, and the Oregon-Washington Railroad & Navigation Company. Connection with the Milwaukee is made over the tracks of the Columbia & Puget Sound Railroad Company. It

appears that complainants are principally interested in securing rates to be used for traffic destined to competitive points on the Milwaukee; that is, points of destination served both by the Milwaukee and the defendant. A table of the movement of cars during the past two years shows that the number of cars transferred by the Great Northern to the Oregon-Washington Railroad & Navigation Company for delivery to points on the latter road was very small in comparison with the number destined to points on the other roads concerned.

To understand the rate problem presented it is necessary to examine the physical situation of the tracks at Ballard. This is shown in detail in the accompanying map, introduced into the record by defendant. This map indicates to some degree certain changes which are said to have been the impelling reason for the establishment of the Great Northern's charges now in controversy.

It will be noticed that the complainants' industries on Sobeys spur are now connected only with the Great Northern. The Great Northern at Ballard also has a direct connection with the Northern Pacific. It has there, however, no connection with the Milwaukee nor with the Oregon-Washington Railroad & Navigation Company, neither of which roads enters Ballard with their own rails. The Milwaukee, however, serves a number of Ballard mills by means of car barges which operate between Seattle and slips at Ballard which connect with the mills by means of stub tracks. This service is afforded at present by the Milwaukee from the three slips indicated on the map to the right of Sobeys spur. Prior to the year 1911 a similar service was afforded by the Milwaukee from the slip and tracks indicated on the map as connecting with the northern end of Sobeys spur. At present this slip and tracks are no longer in use, their abandonment having been compelled by the flooding of the land upon which they were situated by the construction of the Lake Washington Canal. It is claimed by defendant and denied by complainants that the Milwaukee could acquire land for a new slip and tracks to connect with Sobeys spur. When the connection was in service it was the practice of the Great Northern to switch cars from Sobeys spur for a maximum distance of 1,800 feet to the Milwaukee's stub tracks leading to its car-barge slip. For this service the Great Northern received a switching charge of \$3 per car. The Milwaukee hauled the cars over the stub tracks and onto its barges and transported them thence to Seattle. The abandonment of this connection made it possible for the Milwaukee to secure traffic from the Ballard industries located on Sobeys spur only by having it delivered to it at Seattle by the Great Northern, the latter road moving the traffic over its rails between Ballard and Seattle. For some time after the abandonment of the Milwau-

kee slip at the end of Sobey spur such interchange was afforded by the two roads. The rate for this service was the above-named charge of \$4.50 per car, which the present class rates superseded. The \$4.50 charge was one carried as item 300 in the Great Northern's tariff I. C. C. A-3468. The wording of this item is somewhat ambiguous, and it was testified for the defendant that it was intended only for movement between industries located on the Great Northern's terminals at Ballard and industries on the terminal of the same road at Seattle, and was never intended for interchange between the Great Northern and other roads at Seattle, and was, in fact, never so applied prior to the abandonment of the Milwaukee's connection at Sobey spur. After the abandonment of this connection, however, it was so applied for a time, but it is testified that when the situation was brought to the attention of the officials of the Great Northern it was deemed not to be a proper charge for this service, and they directed its cancellation and the substitution of the charges now under consideration.

It may be noted that, as above indicated, the Great Northern has a connection with the Northern Pacific at Ballard, and interchange is afforded there at a switching rate of \$3 per car. This, however, defendant contends, and we believe properly, is the same kind of a movement and the same kind of a charge as formerly prevailed in the case of the Milwaukee and the Great Northern when the former road had its connection with the latter's tracks at Ballard, but is in an entirely different category from the movement in question between Ballard and Seattle and the interchange with the Milwaukee at the latter point.

The construction of the Lake Washington Canal necessitated not only the abandonment of the Milwaukee's connection with Sobey spur as above described, but also an extensive relocation of the Great Northern's tracks at Ballard. Without describing this in detail it may be said that it involved the abandonment of certain bridges across Salmon Bay south of Ballard and a portion of the Great Northern's tracks there and the construction of a new line from Interbay past Ballard, on the west shore of Salmon Bay, to Metum, a point north, and the construction of a new bridge across Salmon Bay at the northern end of Ballard. A detailed statement submitted by defendant shows that the cost of these various changes will be approximately \$1,962,000. The new line results in a change in the route between Ballard and Seattle, and involves an additional haul of about a mile and a half or two and a half miles, so that the distance from Ballard to Seattle instead of being about six miles as formerly is now in the neighborhood of eight or nine.

Defendant contends that this expensive change in its tracks at Ballard would justify an increase in the rate, but it says that while

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testimony actually introduced related specifically only to shingles and it appeared that this is the only commodity moving from the mills on Sobey spur. The Commission, therefore, must confine its finding to this class-E rate, which applied both to shingles and to lumber and the present corresponding commodity rate.

Rates for interchange over terminals appear to be made on two distinct bases. First is the so-called reciprocity basis, in which the charge for the interchange service is said not to reflect the cost of the service but is merely an arbitrary rate established by the terminal road under the view that while in a given case it may fall short of affording it a proper return for the service, it will be compensated by service performed for it at the same or other terminals by the roads with which it makes interchange and thus an equalization brought about. Charges made on this basis are obviously not a fair measure of what is a reasonable return for the service when the reciprocal condition does not exist. In the absence of the condition of reciprocity the attempt, of course, is to make the charge an adequate one for the service furnished, considered by itself. This presumably is the theory of the Great Northern's charge now under consideration. It denies that the Milwaukee is in a position to afford a reciprocal advantage either at Ballard, where it has no terminals but only its car-barge slips, or at Seattle, where the industries on its tracks are comparatively few in number.

In the absence of specific data as to the value of the terminals and the actual cost of terminal service it is, generally speaking, a difficult matter to test the propriety of such a charge as this, avowedly designed to provide proper return for the service on the terminal. The present record furnishes little information which is directly responsive to this question, and our determination under the present circumstances can at best be only an approximation. We are of opinion, however, that in the instant case we may attempt the task upon such data as are presented to us, consisting largely of comparisons of other terminal rates.

The defense of the present rates was, first, that they were on the basis prescribed by the Public Service Commission of Washington for transportation within that state, and it was remarked that the carriers had instituted a proceeding in the courts in which it was contended that this basis was unreasonably low. Defendant argued that if these rates were reasonable for hauls generally in the state of Washington they were manifestly reasonable for hauls through its expensive terminals. Defendant argued further that the increased length of haul and the large additional expense resulting from the relocation of its tracks at Ballard warrant an increase over the old \$4.50 charge.

In addition to these general contentions comparison is made with various terminal or switching rates in the neighboring cities. The Ballard rate of 3 cents per 100 pounds on shingles under the average loading of 35,000 pounds results in a rate of \$10.50 per car. The loaded and empty haul, under the new location of the tracks, is for a distance of about 16 miles. With this defendant compares the \$3 local switching rate of the Milwaukee in Seattle for distances of $1\frac{1}{2}$ and 1 mile, its own rate of \$3 formerly made to the Milwaukee for switching from Sobey spur to the connection with the Milwaukee's stub tracks, a maximum distance of 1,800 feet, and its own present rate of \$3 for switching from Sobey spur to the Northern Pacific at Ballard, a distance not in excess of half a mile. The comparisons most emphasized, however, are with car-barge rates of the Milwaukee of \$10 per car for the movement between Ballard and Seattle, and the Milwaukee's similar rate of \$10 for car-barge service at Tacoma for average distances, in the latter case, of 6 miles. Defendant argues that while the Milwaukee's \$10 rate includes the use of tracks, switch connections to barges, and the barge service itself, such service is clearly less expensive than such a service as it affords over its rails between Ballard and Seattle, and that consequently these charges of the Milwaukee show that the Great Northern's rate on the competitive business is not unreasonable. Defendant, although not precisely in this connection, refers to the Commission's decision in *Public Service Commission of Washington v. N. P. Ry. Co.*, *supra*, in which the Commission approved the charges of the Northern Pacific between South Tacoma and Tacoma of 2 cents per 100 pounds, with a minimum of \$6 and a maximum of \$10 per car. The distance between South Tacoma and Tacoma is $4\frac{1}{2}$ miles. Note may also be taken of the circumstance that in *Asso. Jobbers of Los Angeles v. A. T. & S. F. Ry. Co.*, 18 I. C. C., 310, while in the case of competitive traffic the charge to the shipper for the service on the terminal when the line haul was given to a foreign road was only \$2.50 per car, it was agreed between the roads concerned that the line-haul road should pay to the terminal road in addition \$7.50 per car, making a total return to the terminal road of \$10 per car.

While we are sensible of the possible differences in the various movements compared, we are of opinion under consideration of all the circumstances that a rate of 3 cents per 100 pounds is not unreasonable in so far as it results in a rate on the commodities in question not exceeding \$10.50 per car. We believe, however, and so find, that this charge of \$10.50 per car should be fixed as a maximum. Our finding, it will be understood, in view of the absence of evidence of movement under the other class rates and of substantial interstate movement of any description from Interbay, is confined to the present commodity rate on lumber and shingles between Ballard and Seattle

of 3 cents per 100 pounds corresponding to the class-E rate from Ballard in effect at the time of the hearing..

The charge just discussed applies at present both to competitive and noncompetitive traffic. Defendant, as above indicated, is willing to enter into joint rates with the Milwaukee on the basis of the flat Seattle rate for traffic destined to noncompetitive local points on the latter road. While we can not enter an order to this effect in this case since the Milwaukee is not a party, the proposed arrangement seems a proper one, and the Milwaukee may be expected to cooperate in putting it into effect. We do not feel that we would be warranted in expressing here an opinion as to the matter of divisions.

If such an arrangement were made, the mills on Sobey spur would have no further cause of complaint as to the noncompetitive traffic since under such an arrangement they would be required to pay only the flat Seattle rate and not the extra charge for the terminal movement now required.

As to the competitive traffic, it may be that the effect of our order will be to leave this traffic solely to the Great Northern. Complainants testify that they can not afford to pay the extra charge above the flat Seattle rate. When a shipment is consigned to a competitive destination served both by the Great Northern and the Milwaukee but it is necessary to make delivery to an industry located on the Milwaukee's tracks, unless practicable switching charges prevail between the two roads at the destination terminal, drayage, as indicated above, will be required. In this general connection it is to be said, however, that complainants' testimony on this point is very general and somewhat indefinite, probably for the reason that the sale of complainants' shingles seems to be largely in the hands of brokers, and consequently the manufacturers themselves have little actually to do with the matter of making delivery, and also for the further reason that the practice of reconsignment after shipment from the mill appears to be an extensive one. If the drayage aspect of the matter could be presented in definite, concrete form, it would seem possible that the roads concerned might cooperate to prevent such an expense to the shipper by entering into an arrangement that the traffic, in the case where such drayage might be required at the point of final destination, be interchanged at some convenient intermediate junction point whereby each road would receive a fair proportion of the long haul. This can be advanced here only as a suggestion.

Reference should be made to a charge of discrimination argued in complainants' brief. This is in effect that while under the existing situation the complainant mills on Sobey spur are under the burden of the switching charge between Ballard and Seattle, competitor mill can reach the markets at lower rates, and that this constitutes dis-

crimination against complainants. In this connection the fact most emphasized is that mills at Ballard situated only a short distance from complainants' mills, but located on the tracks of the Northern Pacific, can still ship to Seattle on the old charge of \$4.50 per car. We are of opinion that this charge, made by another road, does not prove discrimination by defendant, but goes rather, by way of comparison, to the question of the reasonableness of the defendant's rate. Upon this latter aspect we do not feel that the maintenance of the \$4.50 rate by the Northern Pacific of itself establishes that the Great Northern's higher rate is unreasonable. There would appear to be considerable question as to the extent to which the rate is used and to which it is an actual factor in the traffic in question. It applies only to interchange with the Oregon-Washington Railroad & Navigation Company at Seattle, and it appears from the testimony that the amount of traffic to points on this road is very small in comparison with the traffic to points on the other roads concerned.

It is our conclusion that the defendant's commodity rate on lumber and shingles of 3 cents per 100 pounds applicable from Ballard to Seattle is not unreasonable in so far as it results in charges of \$10.50 per car as a maximum, and an order will be entered accordingly.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

INVESTIGATION AND SUSPENSION DOCKET No. 342.
GRAIN ELEVATION ALLOWANCES AT ST. LOUIS, MO,
AND EAST ST. LOUIS, ILL.

Submitted March 14, 1914. Decided June 13, 1914.

The withdrawal by respondents of an elevation allowance of one-fourth cent per bushel at St. Louis and East St. Louis on grain when destined to Evansville, Ind., found to have been justified, it appearing that elevation at these points on such business is not a transportation necessity, and that the proportional out of which the allowance is made is a compelled rate. A comparison of rates from St. Louis and East St. Louis to Evansville with that from Peoria to the same destination does not necessarily signify undue discrimination if the withdrawal of the respondents' concurrence in the rate from the latter point would not affect the movement, rates, or practices respecting elevation. The test of discrimination is the ability of one of the carriers participating in the two through routes to put an end to the discrimination by its own act. *Coke Producers' Asso. of Connellsville v. B. & O. R. R. Co.*, 27 I. C. C., 125.

A. P. Humburg and *F. H. Law* for Illinois Central Railroad Company.

E. D. Mohr for Louisville & Nashville Railroad Company.

Charles Rippin and *H. J. Hausner* for Merchants' Exchange of St. Louis.

REPORT OF THE COMMISSION.

McCHORD, Commissioner:

The withdrawal by the Louisville & Nashville Railroad Company, effective November 25, 1913, of an elevation allowance of $\frac{1}{4}$ cent per bushel on grain at St. Louis, Mo., and East St. Louis, Ill., when destined to Evansville, Ind., was protested by the Merchants' Exchange of St. Louis. Included in the order of suspension was the tariff of the Illinois Central Railroad, providing cancellation similar to that of the Louisville & Nashville. The schedules in question are designated Louisville & Nashville Railroad Company, third revised page 338, of I. C. C. No. A-12658, and Illinois Central Railroad Company (Northern and Western lines), seventh revised page 117, of I. C. C. No. A-8213.

The line of the Illinois Central Railroad from East St. Louis to Evansville is very indirect, and little grain moves via that route. The elevation allowance when made is adjusted by claim. That the allowance, so far as the Illinois Central is concerned, is of no moment is evidenced by the fact that no claim was made for elevation on Evansville business during the year 1913.

There is dispute as to the origin of the allowance by the Louisville & Nashville Railroad on Evansville grain. It is the claim of that

respondent that it was first made as the result of the action of certain lines operating from East St. Louis, Ill., to points in central freight association territory in publishing the allowance on all grain destined to points east of the Indiana-Illinois state line. These lines, having circuitous routes to the Ohio River crossings, did not maintain proportional rates to those points, and could not compete for the business. The tariffs of the direct lines, which provided proportional rates from St. Louis and East St. Louis to Louisville and Cincinnati, contained notes that on shipments handled under the proportional rates no elevation allowance would be made. The notation was omitted as to Evansville. It is not disclosed why, although it is stated that the same reasons governing the action as to Louisville and Cincinnati, viz, the low proportional rates, would justify a similar exception as to Evansville. The effect of this is that with the exception of Evansville no elevation allowance is made at St. Louis and East St. Louis on grain moving to Ohio River crossings, for the reason that all grain thus handled moves on proportional rates. The proportional rate from St. Louis to Evansville is 5 cents, and from East St. Louis 4 cents. The rate from East St. Louis to Evansville does not except switching absorption or elevation allowance at East St. Louis. The proportional rate to Louisville excepts both.

The Supreme Court has held that elevation is a part of transportation which the railroad is required to furnish under the first section of the act. This has been interpreted to mean such elevation as is a legitimate and necessary part of transportation as distinguished from commercial elevation; that a railroad may employ the owner of an elevator to perform a part of the transportation service which is incumbent upon the railroad, paying a reasonable compensation therefor. Applied to the present investigation, we have to determine whether elevation at St. Louis and East St. Louis is a necessary incident to the handling of grain from the field to Evansville. It does not appear that it is. The east side lines are desirous of handling the shipments in foreign equipment. Transfer at St. Louis is not necessary to secure correct weights, which can be satisfactorily determined at the elevator at Evansville or on the scales of the east side lines. The testimony is that comparatively few cars are not loaded to their capacity. The evidence seems to support the contention of respondent that none of the reasons in which the elevation allowance had its beginning obtain with respect to St. Louis and East St. Louis on business destined to Evansville, Ind. Having regard for the short distance which the traffic is hauled by the east side line, 165 miles from St. Louis and 162 miles from East St. Louis, the record establishes lack of transportation necessity for elevation at the places named. We must then consider whether the withdrawal by respondent of the elevation allowance at St. Louis

and East St. Louis results in undue discrimination against those points in favor of points with which they are fairly competitive, such as Chicago and Peoria, Ill. At these places the elevation allowance is made on grain from Kansas, Nebraska, Iowa, Missouri, and Illinois to Evansville, Ind. At Peoria the allowance is made in connection with the respondent carriers.

The rate on grain from East St. Louis to Evansville, in addition to the elevation allowance of one-fourth cent per bushel, bears a switching absorption at East St. Louis of \$3 per car and at Evansville of \$2 per car. The revenue on a carload of 60,000 pounds of wheat from East St. Louis to Evansville proper at 4 cents per 100 pounds is \$24. From this a deduction is made of \$7.50 on account of elevation at East St. Louis and switching at that point and at Evansville, leaving actual gross revenue of \$16.50 per car, or, otherwise stated, 55 cents per ton, 3.39 mills per ton-mile, and 10.18 cents per car-mile. For the purpose of showing that in reality there is a greater reduction in its revenue, respondent makes reference to the existence of the relative adjustment of through rates on grain from the west to the southeast brought about by competitive conditions under which the several gateways via Cairo, Evansville, and Louisville are on a parity. The history of this is that grain rates from the west to the southeast have always been made on combination on the Ohio and Mississippi rivers. The combination on Memphis, Tenn., or Cairo, Ill., relatively adjusted, made the rates to a large portion of the southeast. The lines from East St. Louis to Cairo joined with western lines in meeting the rate to Cairo in order to share in the large movement, the result being a low proportional rate published by the East St. Louis-Cairo lines and similarly by the East St. Louis-Evansville lines, action in each instance being in the interest of the lines north of the river. Thus on grain to the southeast the carriers earn the same total charges, whether handled through St. Louis, and thence via Cairo, Evansville, or Louisville, or direct through the several Ohio River gateways. There is an exception to the extent that where the grain is handled to St. Louis or East St. Louis, reshipped to Evansville, and thence to the southeast, the total charges are one-fourth cent per bushel less than via Cairo or Louisville. The significance of this situation as shown by the evidence is that sufficient grain is drawn into Evansville locally to supply its demand and substantially all of the grain shipped from St. Louis and East St. Louis is reshipped to the southeast. In order to maintain the gateway equalization a refund is made from the East St. Louis-Evansville proportional rate. If this grain is reshipped from Evansville under transit arrangements to southeastern or Mississippi Valley territories, the refund made in protection of the through rate is 2 cents per 100 pounds, aggregating \$12, leaving a gross revenue on

the car described of \$4.50. From St. Louis the refund is 3 cents per 100 pounds. In some instances this results in a deficit to the respondent.

The protestant has replied to the claim of low rates by comparison of rates and revenue on through business from Peoria and St. Louis to southeastern points, contending that if the respondent elects to make the equalization at Evansville it should not be charged entirely to their line from East St. Louis to Evansville, but if consideration is to be given to the shrinkage that is made in the through rate to southeastern destinations, the whole rates from Peoria and East St. Louis after equalization should be relatively considered.

The rate on Peoria grain moving to Evansville is 7 cents, which upon reshipment at that place is shrunk to 5 cents. The same rate is in effect from Chicago. At both of these places the elevation allowance is made on Evansville grain. The Louisville & Nashville is a party to the Peoria rate and participates in the elevation allowance. It has been seen, however, that the equalization of the Ohio River crossings was made by the lines north of the river in conjunction with the western lines. To adopt the reasoning of protestant is in effect to consider the proportional rate as a division of the through rate. The only ground upon which this might be tenable is the fact that the Louisville & Nashville participates in the outbound movement, but the deduction on reshipment is made from the proportional rate and the lines operating to and from the river are not in all cases the same. Therefore the issue here is the elevation allowance at St. Louis and East St. Louis as related to the proportional rate from which the refund is made. It has been seen this is a compelled rate. Furthermore a comparison of rates from St. Louis and East St. Louis with those from Peoria to Evansville does not necessarily denote undue prejudice if the withdrawal of the respondents' concurrence in the rates from the latter point would not affect the movement, rates, or *practices* respecting elevation. *Coke Producers Asso. of Connellsville v. B. & O. R. R. Co.*, 27 I. C. C., 125. The test of discrimination is the ability of one of the carriers participating in the two through routes to put an end to the discrimination by its own act. *Ashland Fire Brick Co. v. S. Ry. Co.*, 22 I. C. C., 115. It is evident that as elevation is not a transportation necessity at St. Louis and East St. Louis on Evansville business, the facts of record justify the withdrawal by respondents of the allowance in question. We are of the opinion that the order of suspension should be vacated and the proposed schedules allowed to become effective. An order will be entered accordingly.

Commissioner CLARK took no part in the decision of this case.

No. 6628.
MERCHANTS EXCHANGE OF ST. LOUIS, MO.,
v.
BALTIMORE & OHIO RAILROAD COMPANY ET AL

Submitted June 3, 1914. Decided June 27, 1914.

Record not sufficient to enable Commission to determine reasonableness of regulation requiring shippers of grain to surrender their expense bills covering inbound shipments in order to obtain the benefit of reshipping rates from St. Louis, Mo., and East St. Louis, Ill., to central freight association and trunk line territories, which rates apply regardless of the point of origin of the original shipment. Case reopened.

Charles Rippin for complainant.

Edward Hart, jr., and *E. C. Kramer* for Baltimore & Ohio Railroad Company and Baltimore & Ohio Southwestern Railroad Company.

N. S. Brown and *C. H. Stinson* for Wabash Railroad Company and its receivers.

William W. Collin, jr., for Cleveland, Cincinnati, Chicago & St. Louis Railway Company.

C. B. Cardy and *F. E. Webster* for Chicago & Eastern Illinois Railroad Company.

C. B. Sudborough for Pennsylvania Company; Pennsylvania Railroad Company, and Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company.

C. W. Galligan for Chicago & Alton Railroad Company.

F. A. Law for Illinois Central Railroad Company.

Paul P. Rainer for Joint Rate Inspection Bureau.

REPORT OF THE COMMISSION.

MEYER, Commissioner:

This case relates to a regulation affecting reshipping rates on grain from East St. Louis, Ill., as well as from St. Louis, Mo., but it simplifies the statement of facts to discuss the questions as if they related only to the St. Louis situation, and that will be done, the situation at East St. Louis being substantially the same.

Prior to July 12, 1913, there was one rate on grain and flour from points of origin in Missouri to St. Louis, Mo., which generally applied also to East St. Louis, Ill. In 1907 the legislature of Missouri

rescribed certain rates on commodities, including grain and flour, or hauls within the state of Missouri. These rates, being contested by the carriers, were suspended by injunction until July 12, 1913, when they finally took effect, the Supreme Court of the United States having held in June, 1913, that they were not confiscatory. The old rates, however, continued to apply on shipments to St. Louis for beyond, the result being that the through rate, made up of the rate from Missouri points to St. Louis, applying on interstate shipments, plus the rate applying out of St. Louis, was greater than the intrastate rate to St. Louis, plus the rate out of St. Louis. There are no joint through rates on grain from Missouri points to points in central freight association or trunk line territory.

After the intrastate rates went into effect, the carriers took the position that if grain or flour moved out of St. Louis in the cars in which it had been carried there, and without unloading, it must pay the rate to St. Louis applying on interstate shipments, and the consignees then began to unload their grain and store it in elevators, flour mills, or warehouses.

The various lines from St. Louis published in supplement No. 4 to Cameron's tariff I. C. C. D-70, effective February 12, 1914, to central freight association territory reshipping rates with conditions as follows:

These rates are reshipping rates and will apply from East St. Louis, Madison, or Alton, via all lines (except as otherwise specifically provided for) on direct through consignments from points in the states of Arizona, Arkansas, California, Colorado, Idaho, Iowa, Kansas, Louisiana, Minnesota, Missouri (except St. Louis), Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

Will not apply from St. Louis, Mo., on direct through consignments.

These rates will apply from St. Louis, Mo., East St. Louis, Madison, or Alton as reshipping rates on shipments from beyond stopped at those points for storage, grading, or other transit privileges, and will also apply from St. Louis, East St. Louis, Collinsville, Madison, Alton, or Edwardsville on shipments of grain products milled or malted at those points of grain originating beyond.

The carriers also publish reshipping rates from St. Louis to trunk line territory in Cameron's tariff I. C. C. No. D-66 with similar conditions.

When these rates were originally published, the Missouri intrastate rate on grain was the same as the interstate rate from Missouri points to St. Louis for beyond, and the reshipping rates were intended to take the place of transit regulations and to obviate the necessity of any inquiry as to the points of origin of the shipment, thus dispensing with the necessity of surrendering the expense bills.

Prior to January 10, 1914, the carriers gave to grain and grain products shipped from St. Louis the benefit of the reshipping rates

referred to upon a certificate that the shipments had come into St. Louis from beyond, and without any statement as to the point of origin. By a regulation made effective on that date, some of the carriers now refuse to apply the reshipping rate referred to unless the shippers will surrender the inbound expense bills for the purpose of showing the point of origin of the original shipment, but other carriers refuse to join in the regulation. By this complaint the Merchants Exchange of St. Louis attacks that regulation as unreasonable.

It is admitted that the sole purpose of the regulation attacked is to insure the application of the interstate rate on the inbound shipment when the grain or its product is subsequently shipped out on the reshipping rate. There is no commodity rate on grain from St. Louis to central freight association or trunk line territory, other than the reshipping rate, and the complainant insists that there is no other rate of any kind that is applicable from St. Louis or East St. Louis to those territories.

The complainant insists that the reshipping rate applies to all shipments from beyond, regardless of the point of origin, and that the point of origin being immaterial there can be no necessity for the surrender of the expense bills.

The defendants insist that the reshipping rates do not apply to all shipments of grain from beyond, but only to shipments of grain stopped at St. Louis, East St. Louis, or Alton "for storage, grading, or other transit privileges," and that the reshipping rate is part of a through rate to which the shipper is not entitled unless he can show that he has paid that part of the through rate applicable to the shipment into St. Louis.

It appears from an examination of the tariffs on file with the Commission that while the tariff carrying class rates to central freight association territory excludes from its operation grain and grain products, that is not true as to the tariff carrying class rate to trunk line territory, and that those class rates do apply to grain and grain products. We are inclined to think, therefore, that the regulation complained of is reasonable as applying to shipments to trunk line territory, as it is necessary to know the point of origin of the shipment in order to determine whether the reshipping commodity rate applying to shipments "from beyond" should be applied, or the local or flat class rate. As to shipments to central freight association territory, however, the case is different, and we are inclined to think that the shipments of grain and grain products to that territory are entitled to move out on the reshipping rate, regardless of the point of origin of the grain and regardless of the rate paid on the inbound shipment, there being no other rate on which such shipments could move to that territory. We are

inclined to that opinion because it is admitted that the rate was originally published for the purpose of making the point of origin immaterial and to dispense with the necessity of surrendering expense bills, and we must so construe the tariffs as to permit the traffic to move, if that be possible. The real question in the case, however, is one of discrimination against interstate traffic in favor of intrastate traffic, which is a much larger question than the one which appears on the surface, and as that question is squarely presented in Docket No. 6662, *Southwestern Missouri Millers' Club v. C. & A. R. R. Co.*, we have concluded that the instant case ought to be reopened and heard with that case at an early date, of which notice will be given. Nothing that we have said herein, therefore, is to be understood as finally determining any question in this case.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

No. 6338.
AUGUSTA COTTON EXCHANGE AND BOARD OF TRADE
v.
SOUTHERN RAILWAY COMPANY.

Submitted April 15, 1914. Decided June 8, 1914.

Rates on cotton to Augusta, Ga., from South Carolina stations on Southern Railway held to be unreasonable to the extent that they exceed rates from same points which were in effect prior to September 23, 1909, the rates then in effect being on the basis of the South Carolina scale.

E. G. Kalbfleisch for complainant.

Alex M. Bull and *Claudian B. Northrop* for defendant.

REPORT OF THE COMMISSION.

BY THE COMMISSION:

This complaint was filed November 13, 1913, by the Augusta Cotton Exchange and Board of Trade, an incorporated mercantile society of Augusta, Ga., having among its members a large number of persons and companies engaged in buying, selling, receiving, and shipping cotton. The Southern Railway Company is the only defendant. The complaint attacks the rates on cotton from a large number of stations on the Southern Railway in South Carolina to Augusta, Ga. and charges that these rates are unreasonable and also discriminatory as compared with rates to Columbia, S. C., Charleston, S. C., and Savannah, Ga. Prior to September 23, 1909, the rates in effect from South Carolina stations were on the basis of the South Carolina mileage scale. That scale, which was first prescribed by the Railroad Commission of South Carolina in 1899, and then put into effect by the railroads under protest, was extended by the Southern Railway to Augusta, Ga., in October, 1903, withdrawn from Augusta as to cotton in December, 1904, restored as to cotton in 1906, and continued in effect until September 23, 1909, when it was withdrawn as to cotton and the rates on cotton generally increased 3 cents per 100 pounds. So far as appears, the conditions were the same when the rates on cotton were increased in September, 1909, as they had been during all the time the old rates were in effect, and it is not claimed that the increase was made necessary by any change of conditions affecting the reasonableness of the rate. The class rates to Augusta, Ga., from South Carolina stations on the Southern are still on the basis of the

South Carolina scale. The carriers also voluntarily apply the South Carolina scale as to cotton to shipments from South Carolina stations to Savannah, Ga., that being done to equalize the port of Savannah with the port of Charleston. A few of the points of origin named in the complaint, which are typical, with the distance, the old rate, and the present rate, in cents per 100 pounds, to Augusta from each station, are shown in the following table:

Station.	Miles.	Old rate.	Present rate.	Station.	Miles.	Old rate.	Present rate.
Clearwater.....	5	7	10	Frost.....	90	25	28
Croft.....	22	14	17	Alston.....	106	27	30
Edgefield.....	32	17	20	Dawkin.....	118	28	31
Blackville.....	47	20	23	Hagood.....	130	29	32
Kneese.....	54	21	24	Santuc.....	140	30	33
Midway.....	65	23	26	Dyson.....	151	32	35
Sixtysix.....	80	24	27	Madison.....	264	35	38

It will be observed that in every instance the present rate is 3 cents over the old rate, whether the haul be 5 miles or 264 miles.

The traffic bureau of the Chamber of Commerce of Augusta in January, 1910, made informal complaint to the Commission of this increase in rates, and the defendant refusing when its attention was called to the complaint to cancel the increase, this formal complaint was finally filed.

Augusta, Ga., is the next to the largest inland cotton market in the country, and has mammoth compresses and warehouses with a storage capacity of about 150,000 bales. About 550,000 bales of cotton are brought to Augusta annually, 500,000 bales moving in by rail. Ten per cent of this cotton is consumed locally; 35 per cent is exported; and 55 per cent goes to eastern mills and to Carolina mills. These figures are approximate. The cotton is shipped in on the local rate under a concentration privilege provided in the tariffs, compressed at Augusta and shipped out on the basis of the through rate from point of origin to destination, the rate paid when the cotton moves out over the Southern being the difference between the through rate and the rate paid on the inbound shipment. The greater the rate paid, therefore, when the cotton moves in, the less the balance of the through rate remaining to be paid when the cotton moves out. Effective August 26, 1913, the rates on cotton from the South Carolina stations to the Carolina mills via Augusta were increased by the Southern, and in many cases these increases were greater than 3 cents per 100 pounds, the result being that the shipper who ships to Carolina mills via Augusta pays a higher rate than he paid prior to September 23, 1909, while the shipper for export, whose cotton has come into Augusta over the Southern, pays a lower rate out of Augusta than he paid prior to September 23, 1909. In many cases the cotton changes

hands on the Augusta market, so that one person pays the rate in and a different person pays the remainder of the through rate to destination. It appears that as the producer pays the rate into Augusta, and the rate is about 15 cents per bale higher to Augusta than to Columbia, or to the ports for similar distances, the producer in many cases prefers for that reason to ship to these points, and cotton does not reach Augusta for compression and reshipment in as large quantities as it formerly did. The defendant admits that it increased the rates in September, 1909, because it did not think it was getting its proper proportion of the outbound shipments, and hoped to increase that proportion by increasing the inbound rate and thus lessening the amount to be paid when the shipment moved out over the Southern, but it insists that the existing rates are reasonable, and that the reasonableness of the rates is the only question to be determined. While the ultimate question to be determined is the reasonableness of the rates, the motive in fixing the rates may have some weight in the determination of that question. While there is no legal presumption in any case that the rates fixed by a carrier are reasonable, yet rates fixed by the carrier from no other motive than to obtain a fair compensation for the service rendered are entitled to greater weight than rates which the carrier admits were fixed by it from other motives. The rates which were increased were purely local rates, and the local consumers were entitled to have those rates fixed without reference to outbound shipments.

The fact that the defendant voluntarily maintained the old rates for more than three years tends to show that those rates were reasonable, and we do not think the existence of rates from some other points to Augusta, or between some other points for similar distances, which are as high as the rates here attacked, is sufficient of itself to overcome that fact. Besides, it appears that the class rates to Augusta are in general upon the basis of the South Carolina scale. It also appears that the Charleston & Western Carolina Railway publishes the South Carolina scale on cotton to Augusta from stations between Port Royal and Augusta, and that from some of those stations it publishes rates on even a lower basis than the South Carolina scale. While the defendant claims that those rates from points on the Charleston & Western Carolina Railway which are on a lower basis than the South Carolina scale are compelled by competition, it does not make that claim as to those rates which are on the basis of the South Carolina scale.

Our conclusion is, and we find, that the defendant's existing rates to Augusta, Ga., from the points of origin named in the complaint are unreasonable to the extent that they exceed the rates which were in effect from the same points immediately prior to September 23, 1909, and the defendant will be required by proper order to restore

those rates, except where the existing rates are as low as, or lower than, those rates.

While the complaint contains a prayer for reparation on behalf of certain shippers named therein, no evidence of shipments was introduced, and no damage shown, and therefore no reparation can be awarded.

Commissioner CLARK took no part in the decision of this case.

No. 6268.

HANS TRIER

v.

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY
COMPANY ET AL.

June 13, 1914.

Upon petition for rehearing filed by complainant in the above-entitled cause,
Held, That—

1. For the purpose of determining the reasonableness of an interstate rate, a rate established by the state is no more to be presumed reasonable than one voluntarily established by a carrier.
2. Even though the fare charged for an interstate journey exceed the sum of an interstate local and a state local for the respective stretches of the route included in the interstate journey, the burden of proof is upon complainant to prove the unreasonableness of the fare charged for the interstate journey as an entirety.
3. An interstate rate should be deemed indivisible in gauging its justice and reasonableness.

Hans Trier for complainant in person.

SUPPLEMENTAL REPORT OF THE COMMISSION.

DANIELS, *Commissioner*:

A petition for rehearing was filed by complainant in this case, originally reported in 30 I. C. C., 352.

Although this petition seems to attack generally the whole position of the Commission, the complainant's principal contention seems to be that the Commission misconstrues complainant's position. The Commission held that the main point in the case was whether or not a state-established rate scale not acquiesced in by the carriers is *per se* controlling as gauging the reasonableness and justice of fares for an interstate journey where one stretch of such journey lies

wholly within the state that has prescribed said rate scale. The complainant maintains, on the other hand, that the real question is this: Does the fact that the rate charged for one leg of such interstate journey exceeds the maximum allowed by the statute of the state in which that leg lies *cast the burden of proof on defendant* to establish the reasonableness of the through rates? Complainant contends that this question should be answered in the affirmative.

In fairness to the complainant it should be said that the case was decided on the first ground rather than on the second, and that for justice to him the second question should receive further consideration by the Commission.

It must also be said that there are cases, especially in the early reports, which seem to support complainant's contention that a through charge is *prima facie* unreasonable if it exceeds the combination of intrastate locals. Thus, in *Brabham v. A. C. L. R. R. Co.*, 1 I. C. C., 464, we said, at page 473:

The presumption is that the rates fixed by the state commission . . . are reasonable, and the burden of proof is upon the railroad companies to show the contrary.

And in *Savannah Bureau of Freight & Transportation v. C. & S. Ry. Co.*, 7 I. C. C., 601, we said, at page 611:

The maximum passenger rates fixed by South Carolina and Georgia are presumptively just and reasonable, and without justifying circumstances a through passenger fare should not exceed the sum of such state rates consecutively over the interstate distance.

The last citation, however, does not materially help complainant for our conclusion in that case was that the federal statute contained no provision under which the interstate fares must necessarily be reduced because the mileage rate of South Carolina, in which one leg of the interstate journey lay, was lowered by a state statute.

Whatever may have been the attitude of the Commission in the earlier cases, it is now well established that, for the purpose of determining the reasonableness of an interstate rate, a rate established by a state is no more to be presumed reasonable than one voluntarily established by a carrier. In *Hope Cotton Oil Co. v. T. & P. Ry. Co.*, 12 I. C. C., 265, 269, we said:

While a rate fixed by a state statute or a state commission is naturally and properly entitled to respectful consideration it has no greater sanctity, as applied to interstate traffic, than a rate established by a railroad company, and we should not hesitate, upon proper evidence that a rate so established would be unjust either to a carrier or to a shipper, to refuse to accept it as a basis for fixing an interstate rate.

This position has been reaffirmed by the Commission in at least two subsequent cases. *Paola Refining Co. v. M., K. & T. Ry. Co.*, 11 I. C. C., 29; *Saunders & Co. v. Southern Express Co.*, 18 I. C. C.,

5, 421. If it be true that in passing on the reasonableness of an interstate rate, a state-fixed rate has no greater sanctity than a rate fixed by a carrier, it would seem that the presumptions, if there be any, would offset each other, leaving the burden of proof in these cases, as it is in most cases, upon the complainant; and this conclusion seems to be supported by the italicized part of the above excerpt, the plain intent of that clause being that in cases where the presumptions thus conflict the complainant should produce "proper evidence that a rate so established would be unjust."

On principle it would seem that the reasonableness *per se* of an interstate rate should be independently determined. To the extent that state-established rates are permitted either conclusively or presumptively to determine the reasonableness of rates for interstate journeys, to that extent must this Commission, as a federal tribunal, be embarrassed by the anomalous situations arising from conflicts between state and federal jurisdictions. We are inclined to doubt the propriety and legality of permitting the assumption that a passenger who buys a through ticket for an interstate journey pays a charge which consists of a combination of a number of state charges, or of an interstate charge plus an intrastate charge. It would seem that an interstate journey should be viewed in its entirety, and that a complainant should not be permitted, except so far as the fourth section is applicable, to divide the interstate rate into as many parts as the number of states through which the interstate journey runs, merely for the purpose of ascertaining whether each separate intrastate leg of an interstate journey carries a rate which conforms to the rate prescribed for intrastate trips by the state in which that leg lies. In other words, an interstate rate, except for fourth-section purposes, should be deemed indivisible in gauging its justice and reasonableness.

It will be observed that in this case the first leg of the journey was interstate—from Clinton, Iowa, to St. Paul, Minn.—and that the other leg, from St. Paul, Minn., to Henning, Minn., was, physically, wholly intrastate. Complainant adds together the legally published fare, \$6.28, for the interstate leg and the maximum fare allowable under the Minnesota statute for an intrastate journey, \$3.56, and gets a total of \$9.84. He paid \$11.50 for his through trip, and claims that the fact that there is an excess of \$1.66 raises a presumption of unreasonableness which casts upon the carrier the burden of justifying the through rate charged. We fail to see upon what theory the complainant can justify his conclusion. The last leg of the journey, from St. Paul, Minn., to Henning, Minn., is, physically, wholly intrastate, and not subject as such to our jurisdiction. As a part of an entire through journey it is, of course, subject to the act;

but we do not see by what principle of law or logic the intrastate leg of an interstate journey can be thus singled out for separate examination. That intrastate leg *per se* is not within our jurisdiction. The rate established therefor should not constitute *per se* either conclusive or presumptive evidence of the reasonableness of a through charge which is subject to the jurisdiction of this Commission only in its entirety. The same reasoning applies where the interstate journey is made between two adjacent states, in which case each leg of the through journey lies wholly within one state.

The principle here involved is somewhat analogous to that which arises when a shipper attempts to question the reasonableness of a through rate on the ground that one of the proportionals included in the through rate is unreasonable because it exceeds the local rate for the same journey. This Commission has repeatedly held that a shipper whose through rate is reasonable can not usually attack one of the proportionals which may be a factor of the through charge. Such a shipper is interested only in obtaining a reasonable through rate, and if he desires to test the reasonableness of the through rate he must test it in its entirety. Surely the fact that the excessive proportional rate covers a leg which is wholly intrastate does not lay it open to attack by a shipper who has not shown his through rate as a whole to be unreasonable; nor should it cast upon the carrier the burden of establishing the reasonableness of the through rate. If it is true that a shipper who pays a through charge is interested in that charge only in its entirety, it would seem that the fact that one element of the through charge exceeds a maximum prescribed by a state for an intrastate haul is wholly irrelevant and of little or no evidential value, especially since the state charge is not *per se* subject to the jurisdiction of the Commission.

On the grounds above cited, the petition for rehearing will be denied.

Commissioner CLARK took no part in the decision of this case.

30 I. C. C.

SES DISPOSED OF BY THE COMMISSION WITHOUT PRINTED
REPORT DURING THE TIME COVERED BY THIS VOLUME.

3180. **S. T. FISH & Co. v. NEW YORK, CHICAGO & ST. LOUIS RAILROAD COMPANY ET AL.** Rates on grapes from Portland, N. Y., to Chicago and Gillespie, Ill., reconsigned to Livingston and Benld, Ill. *R. Gray* for complainant. *O. E. Butterfield, F. H. Schmitt, and P. Humburg* for defendants. Dismissed on motion of complainant April 7, 1914.

4227. **DARBYSHIRE & EVANS v. GALVESTON, HARRISBURG & SAN ANTONIO RAILWAY COMPANY ET AL.** Rates on German safety fuse from Galveston, Tex., to Naco, Ariz. *R. B. Daniel* for complainant. *F. C. Dillard, J. R. Christian, and Hawkins & Franklin* for defendants. Dismissed on motion of complainant June 9, 1914.

4455. **JOHN GILCHRIST ET AL. v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY ET AL.** Proportional l. c. l. class rates between the Mississippi and Missouri rivers on traffic from eastern cities. *O. M. Rogers* for complainants. *R. B. Scott* for Chicago, Burlington & Quincy Railroad Company. Complaint satisfied. Dismissed June 9, 1914.

4519. **CHARLES R. PARTRIDGE LUMBER COMPANY v. LEHIGH VALLEY RAILROAD COMPANY.** Demurrage on shipments of lumber at Jersey City, N. J. *E. R. Root* for complainant. Dismissed June 9, 1914.

4697. **POSTAL TELEGRAPH-CABLE COMPANY v. WESTERN UNION TELEGRAPH COMPANY.** Charges resulting from transfer of messages in order to reach destination. *W. W. Cook, R. H. Overbaugh, and Cassody, Butler, Lamb & Foster* for complainant. *R. Taggart* for defendant. Dismissed on motion of complainant May 19, 1914.

5047. **E. C. BEST & COMPANY v. MINNEAPOLIS, ST. PAUL & SAULT SAINTE MARIE RAILWAY COMPANY ET AL.** Rates on potatoes from Stevens Point, Wis., to Jackson, Miss. *G. T. Simpson* for complainant. *G. Butler, R. W. Moore, R. V. Fletcher, A. H. Lossow, and A. H. Bright* for defendants. Dismissed on motion of complainant June 9, 1914.

5371. **JAMES B. SHAW v. RUTLAND RAILROAD COMPANY ET AL.** Rates on cattle from Chateaugay, Burke, and Cherubusco, N. Y., to Newtown, Conn. *J. B. Shaw* for complainant in person. *H. J. Hart* for defendants. Dismissed on motion of complainant June 9, 1914.

5451. **BROWNELL COMPANY v. CINCINNATI, HAMILTON & DAYTON RAILWAY COMPANY ET AL.** Rates on boilers and parts from Dayton, Ohio, to Maylene, Ala. *G. M. Stephen* for complainant. *M. E. Waite* for the Cincinnati, Hamilton & Dayton Railway Company. Transferred to Special Docket for adjustment March 28, 1914.

5481. **BOMER & BOMER v. YAZOO & MISSISSIPPI VALLEY RAILROAD COMPANY ET AL.** Rates on magnolia squares from Clinton, La., to Peoria, Ill. *G. B. Wilson* for complainant. *A. P. Humburg and Hirsh, Dent & Landan* for defendants. Dismissed on motion of complainant April 7, 1914.

5521. **TIEDEMAN ELEVATOR COMPANY v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY ET AL.** Rates on corn from Hospers, Iowa, to Kansas City, Mo. *C. W. Adams* for complainant. *C. C. Wright, R. H. Widdicombe, J. B. Sheean, and R. B. Scott* for defendants. Transferred to Special Docket for adjustment April 3, 1914.

5535. **BUICK MOTOR COMPANY v. PERE MARQUETTE RAILROAD COMPANY ET AL.** Rate on automobile from Flint, Mich., to Richwood, Ohio. *W. H. McCloud* for complainant. *M. B. Pierce, T. H. Burges, C. Brown, and O. E. Butterfield* for defendants. Transferred to Special Docket for adjustment June 4, 1914.

5580. **WESSERUNSET WORSTED COMPANY v. NEW YORK, NEW HAVEN & HARTFORD RAILROAD COMPANY ET AL.** Rates on woollen yarn from Woonsocket, R. I., to Skowhegan, Me. *E. B. Moore* for complainant. Transferred to Special Docket for adjustment May 20, 1914.

5609. **SOUTHERN BITULITHIC COMPANY v. TEXARKANA & FORT SMITH RAILWAY COMPANY ET AL.** Rates on asphalt from Port Neches, Tex., to Meridian, Miss. *E. Sutcliffe* for complainant. *J. G. Schaich and F. H. Wood* for defendants. Transferred to Special Docket for adjustment March 28, 1914.

5762. **FITZPATRICK DRUG COMPANY v. YAZOO & MISSISSIPPI VALLEY RAILROAD COMPANY ET AL.** Rates on lime from Varnob, Ala., to Helena, Ark. *L. A. Fitzpatrick* for complainant. *A. P. Humburg, R. V. Fletcher, R. W. Moore, and W. A. Northcutt* for defendants. Transferred to Special Docket for adjustment June 4, 1914.

5778. **FLORIDA COTTON OIL COMPANY v. ATLANTIC COAST LINE RAILROAD COMPANY ET AL.** Rates on cotton seed from South Carolina points to Jacksonville, Fla. *C. H. Pillsbury* for complainant. *R. W. Moore* for defendants. Transferred to special docket for adjustment April 9, 1914.

5900. **BOSTON POTATO RECEIVERS' ASSOCIATION ET AL. v. CLYDE STEAMSHIP COMPANY ET AL.** Rail and water rates on potatoes from points in Maine to points in Virginia, North and South Carolina,

shipment of bran from Minneapolis, Minn., to Reading, Pa., via Renovo, Pa. *G. C. White* for complainant. *O. W. Dynes* and *C. E. Dewey* for defendants. Dismissed on motion of complainant May 5, 1914.

6505. **HANCOCK BRICK & TILE COMPANY v. TOLEDO & OHIO CENTRAL RAILWAY COMPANY ET AL.** Rates on drain tile between Findlay, Ohio, and points in Michigan. *J. L. Child* for complainant. *J. C. Bills, J. M. Kurn, N. S. Brown,* and *Smith, Beckwith & Ohlinger* for defendants. Dismissed on motion of complainant April 6, 1914.

6510. **WYATT & GREEN PAPER BOX COMPANY v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY.** Rate on glazed paper from Chicago, Ill., to St. Joseph, Mo. *H. G. Krake* for complainant. *R. B. Scott* for defendant. Transferred to Special Docket for adjustment June 13, 1914.

6558. **GAMBLE ROBINSON COMPANY v. MINNEAPOLIS & ST. LOUIS RAILROAD COMPANY ET AL.** Rates on potatoes from Minneapolis, Minn., to Decatur, Ill. *L. A. Knudsen* for complainant. *N. S. Brown, W. H. Bremner,* and *F. M. Miner* for defendants. Dismissed on motion of complainant June 9, 1914.

6574. **JOHN A. CRANSTON LUMBER COMPANY v. CENTRAL OF GEORGIA RAILWAY COMPANY ET AL.** Rate on yellow-pine lumber from Lockhart, Ala., to Milford, Del., via Pocomoke, Md. *J. R. Walker* for complainant. *E. D. Kyle, F. L. Ballard, H. W. Bikle,* and *G. S. Patterson* for defendants. Dismissed on motion of complainant May 5, 1914.

6600. **C. B. COLBORN v. CHICAGO, ROCK ISLAND & PACIFIC RAILWAY COMPANY ET AL.** Rate on lumber from Ivan, Ark., to Sheboygan, Wis. *W. F. McKnight* for complainant. *T. Bond, E. H. Seneff, C. B. Cardy, C. C. Wright, R. H. Widdicombe,* and *W. F. Dickinson* for defendants. Dismissed on motion of complainant May 11, 1914.

6610. **DELAVAL SEPARATOR COMPANY v. NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY ET AL.** Rate on cream separators from Poughkeepsie, N. Y., to Fargo, N. Dak. *O. M. Rogers* for complainant. *Glennon, Cary, Walker & Howe, A. H. Lossow, C. Donnelly, J. F. Finerty, jr., O. W. Dynes, C. C. Wright, R. H. Widdicombe, O. E. Butterfield, C. Brown, R. B. Scott,* and *W. F. Dickinson* for defendants. Dismissed on motion of complainant May 5, 1914.

6626. **OMAHA GRAIN EXCHANGE v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY ET AL.** Defective and leaky cars provided for shipment of grain from Omaha, South Omaha, Nebr., and Council Bluffs, Iowa, to points in other States. *E. P. Smith* for complainant. *O. W. Dynes, J. B. Sheean, M. L. Clardy, H. G. Herbel, F. G. Wright, A. P. Humburg, R. V. Fletcher, W. T. Hughes,* and

6276. **RED ASH COAL COMPANY v. LEHIGH VALLEY RAILROAD COMPANY ET AL.** Rates on coal from the anthracite coal region to Buffalo and Suspension Bridge, N. Y., for reshipment. *R. D. Jenks* and *W. A. Glasgow, Jr.*, for complainant. *J. Turner, W. L. Louis, C. E. Dewey, Wilson, Warren & Child, J. M. Elliott, Stevens, Miller & Elliott, A. P. Humburg, R. V. Fletcher, O. E. Butterfield, C. Brown, E. H. Seneff, C. B. Cardy, R. Dunlap, T. J. Norton, E. H. Boles, H. D. Palmer,* and *W. F. Dickinson* for defendants. Complaint satisfied. Dismissed May 5, 1914.

6289. **BRUNSWICK-BALKE-COLLENDER COMPANY v. CHICAGO GREAT WESTERN RAILROAD COMPANY ET AL.** Rates on shipment of cooling room material from Dubuque, Iowa, to Memphis, Tenn. *B. E. Bensinger* for complainant. *R. W. Moore* and *Winston, Payne, Strawn & Shaw* for defendants. Dismissed on motion of complainant May 5, 1914.

6323. **NEW ORLEANS BOARD OF TRADE (LTD.) v. NEW ORLEANS & NORTHEASTERN RAILROAD COMPANY.** Rates on grain, grain products, hay, and feed from New Orleans, La., to points in Mississippi. *C. W. Hayward* for complainant. *R. W. Moore* and *M. P. Callaway* for defendant. Dismissed on motion of complainant April 7, 1914.

6351. **W. P. CUTLER v. WABASH RAILROAD COMPANY ET AL.** Rate on shipment of household goods from Columbia, Mo., to Argyle Park, Ill. *F. H. Curran* for complainant. *O. W. Dynes* for Chicago, Milwaukee & St. Paul Railway Company. Dismissed on motion of complainant May 5, 1914.

6426. **FIFER CAUDLE v. INTERNATIONAL & GREAT NORTHERN RAILWAY COMPANY ET AL.** Rate on peaches from Lindale, Tex., to Guymon, Okla. *J. S. Bailey* for complainant. *Wilson, Dabney & King* and *Thompson & Barwise* for defendants. Dismissed on motion of complainant April 7, 1914.

6431. **JOHN H. FINE v. ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY.** Rate on watermelons from Rudy, Ark., to Springfield, Mo. *Duffy & Wolf* for complainant. *Thomas Bond* for defendant. Transferred to Special Docket for adjustment July 2, 1914.

6455. **GREEN RIVER LUMBER COMPANY ET AL. v. ST. LOUIS, IRON MOUNTAIN & SOUTHERN RAILWAY COMPANY ET AL.** Rate on hardwood lumber from Memphis, Tenn., to Galveston, Tex. *J. R. Walker* for complainant. *M. L. Clardy, H. G. Herbel, F. G. Wright, D. H. Wood, R. Dunlap, T. J. Norton, T. J. Freeman, W. L. Hall, T. Bond, F. H. Wood, S. H. West, E. A. Haid, Denegre, Leovy & Chaffe, Wilson, Dabney & King,* and *Baker, Botts, Parker & Garwood* for defendants. Dismissed on motion of complainants June 9, 1914.

6473. **S. F. SCATTERGOOD & COMPANY v. CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL.** Loss and damage in transit on

shipment of bran from Minneapolis, Minn., to Reading, Pa., via Renovo, Pa. *G. C. White* for complainant. *O. W. Dynes* and *C. E. Dewey* for defendants. Dismissed on motion of complainant May 5, 1914.

6505. HANCOCK BRICK & TILE COMPANY v. TOLEDO & OHIO CENTRAL RAILWAY COMPANY ET AL. Rates on drain tile between Findlay, Ohio, and points in Michigan. *J. L. Child* for complainant. *J. C. Bills, J. M. Kurn, N. S. Brown,* and *Smith, Beckwith & Ohlinger* for defendants. Dismissed on motion of complainant April 6, 1914.

6510. WYATT & GREEN PAPER BOX COMPANY v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY. Rate on glazed paper from Chicago, Ill., to St. Joseph, Mo. *H. G. Krake* for complainant. *R. B. Scott* for defendant. Transferred to Special Docket for adjustment June 13, 1914.

6558. GAMBLE ROBINSON COMPANY v. MINNEAPOLIS & ST. LOUIS RAILROAD COMPANY ET AL. Rates on potatoes from Minneapolis, Minn., to Decatur, Ill. *L. A. Knudsen* for complainant. *N. S. Brown, W. H. Bremner,* and *F. M. Miner* for defendants. Dismissed on motion of complainant June 9, 1914.

6574. JOHN A. CRANSTON LUMBER COMPANY v. CENTRAL OF GEORGIA RAILWAY COMPANY ET AL. Rate on yellow-pine lumber from Lockhart, Ala., to Milford, Del., via Pocomoke, Md. *J. R. Walker* for complainant. *E. D. Kyle, F. L. Ballard, H. W. Bikle,* and *G. S. Patterson* for defendants. Dismissed on motion of complainant May 5, 1914.

6600. C. B. COLBORN v. CHICAGO, ROCK ISLAND & PACIFIC RAILWAY COMPANY ET AL. Rate on lumber from Ivan, Ark., to Sheboygan, Wis. *W. F. McKnight* for complainant. *T. Bond, E. H. Seneff, C. B. Cardy, C. C. Wright, R. H. Widdicombe,* and *W. F. Dickinson* for defendants. Dismissed on motion of complainant May 11, 1914.

6610. DELAVAL SEPARATOR COMPANY v. NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY ET AL. Rate on cream separators from Poughkeepsie, N. Y., to Fargo, N. Dak. *O. M. Rogers* for complainant. *Glennon, Cary, Walker & Howe, A. H. Lossow, C. Donnelly, J. F. Finerty, jr., O. W. Dynes, C. C. Wright, R. H. Widdicombe, O. E. Butterfield, C. Brown, R. B. Scott,* and *W. F. Dickinson* for defendants. Dismissed on motion of complainant May 5, 1914.

6626. OMAHA GRAIN EXCHANGE v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY ET AL. Defective and leaky cars provided for shipment of grain from Omaha, South Omaha, Nebr., and Council Bluffs, Iowa, to points in other States. *E. P. Smith* for complainant. *O. W. Dynes, J. B. Sheean, M. L. Clardy, H. G. Herbel, F. G. Wright, A. P. Humburg, R. V. Fletcher, W. T. Hughes,* and

Winston, Payne, Strawn & Shaw for defendants. Complaint satisfied. Dismissed May 4, 1914.

6769. GEORGIA IRON WORKS v. SOUTH GEORGIA RAILWAY COMPANY ET AL. Rate on second-hand machinery from Dennetts, Fla., to Augusta, Ga. *W. J. Lafferty* for complainant. *R. W. Moore* for Atlantic Coast Line Railroad Company. Dismissed on motion of complainant June 9, 1914.

80 I. C. C.

**REPARATION CASES DISPOSED OF BY THE COMMISSION IN
FORMAL BUT UNREPORTED DECISIONS DURING THE TIME
COVERED BY THIS VOLUME.**

3223, 4130, 4130 (Sub-Nos. 1, 2, and 3), 4464, 4312, 4312 (Sub-No. 1) (U. R. No. A-548). **ALDERMAN & SONS COMPANY v. ATLANTIC COAST LINE RAILROAD COMPANY. SAME v. SAME. SAME v. SOUTH GEORGIA RAILWAY COMPANY. SAME v. ATLANTIC COAST LINE RAILROAD COMPANY. SAME v. SAME. SAME v. SAME. SAME v. SOUTHERN RAILWAY COMPANY. SAME v. SEABOARD AIR LINE RAILWAY.** Rates on lumber from points in Georgia and South Carolina to points in North Carolina found unreasonable in some cases and reasonable in others. *J. J. Earle* and *D. A. Henning* for complainant. *R. W. Moore, M. P. Callaway, C. B. Northrop,* and *T. B. Akridge* for defendants. March 2, 1914. Reparation awarded for (total) \$89.91.

5867 (U. R. No. A-549). **STANDARD STEEL COMPANY v. ALABAMA GREAT SOUTHERN RAILROAD COMPANY.** Unreasonable rates on steel billets from Alabama City, Ala., to Knoxville, Tenn. *A. Benners* for complainant. *R. W. Moore* for defendants. March 2, 1914. Reparation awarded for \$4,374.30.

6215 (U. R. No. A-550). **ARBUCKLE BROTHERS v. OLD DOMINION STEAMSHIP COMPANY.** Misrouting green coffee from Brooklyn, N. Y., destined to Chicago, Ill. *J. L. Carling* for complainants. *M. C. Hall* for defendants. March 9, 1914. Reparation awarded for \$17.39.

6091 (U. R. No. A-551). **JOHNSON & SON v. CHESAPEAKE & OHIO RAILWAY COMPANY.** Overcharge on oak ties from Anthony, W. Va., to Grand Rapids, Mich. *J. L. Rupe* for complainants. *J. S. Patterson* for defendants. March 9, 1914. Complaint to be dismissed upon refund being made.

5527 (U. R. No. A-552). **UNITED KANSAS PORTLAND CEMENT COMPANY v. ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY.** Unreasonable rates on wire bag ties from New York, N. Y., to Gas and Independence, Kans., and Dewey, Okla. *G. M. Stephen* for complainants. *D. P. Connell* and *R. C. Fyfe* for defendants. March 9, 1914. Reparation to be awarded upon furnishing proper proof.

4908 (U. R. No. A-553). **CENTRAL REFINING COMPANY v. BALTIMORE & OHIO SOUTHWESTERN RAILROAD COMPANY.** Rates on petroleum and its products from Lawrenceville, Ill., to Milwaukee, Wis., not found unreasonable. *C. D. Chamberlin* for complainants.

C. C. Wright, R. H. Widdicombe, and A. P. Humburg for defendants. March 9, 1914. Complaint dismissed.

5888 (U. R. No. A-554). *COLLIER v. SOUTHERN RAILWAY COMPANY*. Rate on lumber from Marengo, Milltown, and Corydon Junction, Ind., to Chicago, Ill., not found unreasonable. *W. N. Webb* complainant. *E. P. Humphrey* and *W. H. Newman* for defendants. March 9, 1914. Complaint dismissed.

5814 (U. R. No. A-555). *GOLDFIELD CONSOLIDATED MILLING TRANSPORTATION COMPANY v. ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY ET AL.* Rates on acetate of lead from San Francisco and San Diego, Cal., to Goldfield, Nev., not found unreasonable. *C. L. Brown* for complainant. *W. D. Cole* and *H. H. Brown* for defendants. March 9, 1914. Complaint dismissed.

6249 (U. R. No. A-556). *LORILLARD COMPANY v. PENNSYLVANIA RAILROAD COMPANY ET AL.* Failure to absorb switching charges at Marion, N. J., not found unreasonable. *P. Croxton* for complainant. *F. L. Ballard* for defendants. March 9, 1914. Complaint dismissed.

6003 (U. R. No. A-557). *SHIPP & SON ET AL. v. LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL.* Unreasonable rates on crockeries from Spurlington and Campbellsville, Ky., to Cincinnati, Ohio. *J. McChord* for complainant. *W. Burger* and *J. M. Deuberry* for defendants. April 7, 1914. Reparation awarded for \$311.04.

5471 (U. R. No. A-558). *SHEA BROTHERS v. TENNESSEE RAILWAY COMPANY ET AL.* Unreasonable rates on a locomotive from Strickland Fork, Tenn., to Cincinnati, Ohio. *J. T. Shea* for complainant. *F. W. Gwathmey* for defendants. April 6, 1914. Reparation awarded for \$237.93.

6281 (U. R. No. A-559). *TRAFFIC BUREAU OF KNOXVILLE, TENN. v. ALABAMA & VICKSBURG RAILWAY COMPANY ET AL.* Southern classification rating on cocoa butter found unreasonable. *C. Knemich* for complainant. *W. Burger, R. W. Moore, and F. W. Gwathmey* for defendants. April 7, 1914. No reparation awarded.

5837 (U. R. No. A-560). *ELLICOTT BRICK COMPANY v. BUFFALO, ROCHESTER & PITTSBURGH RAILWAY COMPANY ET AL.* Rates on building brick from Orchard Park and Jewettsville, N. Y., to certain Canadian points not found unreasonable; to other Canadian points found unreasonable. *E. P. Cottle* for complainant. *S. M. Hanna, I. W. Gantt, D. P. Connell, J. E. Clark, and J. J. Mossman* for defendants. April 7, 1914. No reparation awarded.

4930 (U. R. No. A-561). *YOUNG & CUTSINGER v. LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL.* Rates on logs from points in Kentucky to points in Tennessee and Indiana not found unreasonable. *J. R. Walker* for complainant. *D. M. Goodwyn* and *N. W. Proctor* for defendants. April 6, 1914. Complaint dismissed.

5388 (U. R. No. A-562). *LIPE v. ST. LOUIS, IRON MOUNTAIN & SOUTHERN RAILWAY COMPANY ET AL.* Rates on emigrant movables from Claremore, Okla., to McIntosh, N. Mex., not found unreasonable. *H. V. Lipe* for complainant. *F. G. Wright, P. J. Johnson,* and *H. A. Coomer* for defendants. April 6, 1914. Complaint dismissed.

6083 (U. R. No. A-563). *CURRIE COMPANY v. CHICAGO & NORTH WESTERN RAILWAY COMPANY.* Incorrect demurrage and reconsignment charges on anthracite coal at Missouri Valley, Iowa. *E. P. mith* for complainant. *R. H. Widdicombe* for defendant. April 7, 1914. Reparation to be awarded on furnishing proper proof.

6103 (U. R. No. A-564). *MADERA COMPANY v. GALVESTON, HARRISBURG & SAN ANTONIO RAILWAY COMPANY ET AL.* Allegation of misrouting on lumber from Madera, Mex., to Covington, Ky., not sustained. *R. L. Holliday* for complainant. *M. Kemp* for defendants. April 7, 1914. Complaint dismissed.

6112 (U. R. No. A-565). *RICHARDS v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY ET AL.* Reparation denied on coal from Colorado points to Orleans, Nebr. *S. Richards* for complainant. *H. T. Holcomb* for defendants. April 7, 1914. Complaint dismissed.

6203 (U. R. No. A-566). *SOUTHERN LUMBER COMPANY v. LOUISIANA RAILWAY & NAVIGATION COMPANY ET AL.* Rates on lumber from Bullion, La., to South Bend, Ind., not found unreasonable. *F. M. Ducker* for complainant. *M. L. Clardy, H. G. Herbel,* and *F. G. Wright,* for defendants. April 7, 1914. Complaint dismissed.

5787 (U. R. No. A-567). *NATIONAL REFINING COMPANY v. ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY ET AL.* Unreasonable rates on petroleum and its products from Coffeyville, Kans., to Hannibal, Mo. *C. D. Chamberlin* for complainant. *C. S. Burg* and *J. M. Bryson* for defendants. April 7, 1914. No reparation awarded.

5158 (U. R. No. A-568). *CURRY & WHYTE COMPANY v. GREAT NORTHERN RAILWAY COMPANY.* Unreasonable rates on logs from Mirbat, Minn., to Duluth, Minn. *Watson & Abernethy* for complainant. *J. F. Finerty, jr.,* for defendant. April 6, 1914. Reparation awarded for \$46.84.

6034 (U. R. No. A-569). *DAVES & DAVES GRAIN COMPANY v. MIDLAND VALLEY RAILROAD COMPANY ET AL.* Unreasonable rates on corn from Adamsville and Genda Springs, Kans., to Wann, Okla. *T. A. Noftzger* for complainant. *Eugene Mock* for defendants. April 7, 1914. Reparation awarded for \$56.31.

6347 (U. R. No. A-570). *CLARK-DANFORTH HANDLE COMPANY v. ILLINOIS CENTRAL RAILROAD COMPANY.* Fourth section application No. 2045. Unreasonable rates on club-turned handles from West Point, Miss., to Cairo, Ill. *F. M. Ducker* for complainant. *C. D.*

Drayton for defendant. April 7, 1914. No reparation awarded. Fourth section application denied.

6262 (U. R. No. A-571). CORNING GLASS WORKS v. ERIE RAILROAD COMPANY. Unreasonable rates on nitrate of soda from Long Dock, N. J., to Corning, N. Y. *O. M. Rogers* for complainant. *T. H. Briggs* for defendant. April 7, 1914. Reparation awarded for \$188.32.

4984 (U. R. No. A-572). FLORAN ET AL. v. WELLS FARGO & COMPANY ET AL. Misrouting one violin from Lemmon, S. Dak., to Watertown, S. Dak. *P. W. Dougherty* for complainants. *H. S. Marz* for defendants. April 6, 1914. Reparation awarded for 45 cents.

6078 (U. R. No. A-573). GRAND LAKE COMPANY v. MAINE CENTRAL RAILROAD COMPANY. Unreasonable rates on bag paper from Bedford Falls, Me., to Woodland, Me. *D. D. Devine* for complainant. *C. H. Blatchford* for defendant. April 7, 1914. Reparation awarded for \$1,256.82.

5885 (U. R. No. A-574). GULF LUMBER COMPANY v. MORGAN LOUISIANA & TEXAS RAILROAD & STEAMSHIP COMPANY ET AL. Unreasonable rates on lumber from Fullerton, La., to Texas City, Tex. *R. W. Hall* for complainant. *Baker, Botts, Parker & Garrison Denegree, Leovy & Chaffe*, and *F. W. Wood* for defendants. April 7, 1914. Reparation to be awarded on furnishing proper proof.

5824 (U. R. No. A-575). CHATTANOOGA BOTTLE & GLASS MANUFACTURING COMPANY v. NASHVILLE, CHATTANOOGA & ST. LOUIS RAILROAD ET AL. Fourth section applications Nos. 458 and 1952. Unreasonable rates on glass bottles from Chattanooga, Tenn., to Pulaski, Tenn. *J. F. Hartley* for complainant. *N. W. Proctor* and *F. W. Gwaltney* for defendants. April 7, 1914. Reparation awarded for \$23.50. Fourth section applications denied.

6219 (U. R. No. A-576). JOHNSON & SON v. LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL. Unreasonable rates on railroading ties from Wilton and Mulus, Ky., to Cincinnati, Ohio. *J. L. Ray* for complainants. *W. Burger* for defendants. April 7, 1914. Reparation awarded for \$554.06.

6074 (U. R. No. A-577). MUSKOGEE WHOLESALE GROCER COMPANY v. ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY ET AL. Rates applied on canned hominy from Kansas, Ill., to Muskogee, Okla., found in excess of lawful rates. *R. D. Sangster* for complainant. *T. Bond* for defendants. April 7, 1914. Reparation awarded for \$10.89.

5854 (U. R. No. A-578). BOISE LUMBER COMPANY (INC.) v. CAROLINA, CLINCHFIELD & OHIO RAILWAY ET AL. Unreasonable rates on lumber from Hurricane, Va., to Cincinnati, Ohio. *F. W. Morehead* for complainant. No appearance for defendants. April 7, 1914. Reparation awarded for \$16.50.

117 (U. R. No. A-579). MOUNT PLEASANT FERTILIZER COMPANY v. LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL. Rates charged on printed matter from St. Paul, Minn., to Mount Pleasant, Tenn., found in excess of lawful rates. *S. J. Bolton* for complainant. *M. Dewberry* and *E. D. Mohr* for defendants. April 7, 1914. Reparation awarded for 97 cents.

101 (U. R. No. A-580). McMURTRY & COMPANY v. NORFOLK & WESTERN RAILWAY COMPANY ET AL. Misrouting wool from Tazewell, Va., to New York, N. Y. *J. E. Mc Murtry* for complainant. *M. C. H. H.* for defendants. April 7, 1914. Reparation awarded for \$22.36.

148 (U. R. No. A-581). BRITTAIN v. NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY ET AL. Unreasonable rates on logs from Jackson, Tenn., to East St. Louis, Ill. *R. F. Spragins* for complainant. *C. D. Drayton* for defendants. April 7, 1914. Reparation awarded for \$164.80.

5196 (U. R. No. A-582). PADUCAH BOX & BASKET COMPANY (INC.) v. ILLINOIS CENTRAL RAILROAD COMPANY. On rehearing, reparation awarded on logs from Red Bay, Ala., to Paducah, Ky. *J. R. Walker* for complainant. *C. D. Drayton* for defendant. April 6, 1914. Reparation awarded for \$275.73.

732 (U. R. No. A-583). CATTLE RAISERS' ASSOCIATION OF TEXAS v. MISSOURI, KANSAS & TEXAS RAILWAY COMPANY ET AL. Unreasonable rates on cattle from Texas points to points in Kansas, Missouri, and Illinois. Appearances same as in the original report. January 1, 1914. Reparation awarded for (total) \$163,813.23.

5566 (U. R. No. A-584). AMERICAN LUMBER & MANUFACTURING COMPANY v. DETROIT, TOLEDO & IRONTON RAILWAY COMPANY ET AL. Unreasonable rates on one carload and misrouting of another carload of lumber from Ironton, Ohio, to Sault Ste. Marie, Mich. *C. A. Roz* for complainant. *H. C. Bell* for defendants. February 3, 1914. Reparation awarded for (total) \$49.93.

5309 and 5309 (Sub-No. 1) (U. R. No. A-585). PITTSBURGH STEEL COMPANY v. TRINITY & BRAZOS VALLEY RAILWAY COMPANY ET AL. SAME v. INTERNATIONAL & GREAT NORTHERN RAILWAY COMPANY ET AL. Unreasonable rates on nails and staples from Galveston, Tex., to Wellington, Tex. *E. T. Vetter* for complainant. No appearance for defendants. April 6, 1914. Reparation awarded for (total) \$117.22.

6071 (U. R. No. A-586). CHESTNUT-GIBBONS GROCER COMPANY v. ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY ET AL. Rates on canned tomatoes from West Weber, Utah, to Muskogee, Okla., not found unreasonable; certain overcharges were made. *R. D. Sangster* for complainant. *T. Bond* for defendants. April 7, 1914. Reparation awarded for \$8.40.

5910 (U. R. No. A-587). *SIMS v. LOUISVILLE & NASHVILLE RAILROAD COMPANY*. Unreasonable rates on granite from Barre, Vt., to Lebanon, Ky. *J. McChord* for complainant. *W. Burger* and *J. M. Dewberry* for defendant. April 7, 1914. Reparation awarded for \$68.39.

5895 (U. R. No. A-588). *TORREY CEDAR COMPANY v. CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL.* Unreasonable minimum weight on telephone poles from Whitcomb, Wis., to Star City, Ind. *H. W. Anthes* for complainant. *R. H. Widdicombe* for defendants. April 7, 1914. Reparation awarded for \$6.80.

5894 (U. R. No. A-589). *HYMAN v. LOUISVILLE & NASHVILLE RAILROAD COMPANY*. Unreasonable rates on scrap iron from Copperhill and Austral, Tenn., to Atlanta, Ga., and Louisville, Ky. *J. V. Norman* and *W. E. Huffaker* for complainant. *N. W. Proctor* for defendant. April 7, 1914. Reparation awarded for \$1,586.65.

5666 (U. R. No. A-590). *CADY LUMBER COMPANY v. ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY ET AL.* Rates on lumber from points in Louisiana, Arkansas, and Texas to Ralston, Nebr., not found unduly prejudicial. *E. J. McVann* for complainant. *R. B. Scott*, *F. G. Wright*, and *W. T. Hughes* for defendants. April 7, 1914. Complaint dismissed.

5642 (U. R. No. A-591). *CARD LUMBER COMPANY v. CINCINNATI, NEW ORLEANS & TEXAS PACIFIC RAILWAY COMPANY ET AL.* Rates charged on lumber from Chattanooga, Tenn., to Hornell, N. Y., not in excess of tariff rates. *O. L. Bunn* for complainant. *F. W. Gwathmey* for defendants. April 6, 1914. Complaint dismissed.

4215, 4215 (Sub-Nos. 1, 2, 3, and 4), and 4537. (U. R. No. A-592). *AUTO VEHICLE COMPANY v. PENNSYLVANIA COMPANY ET AL.* *SAME v. CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY COMPANY ET AL.* *SAME v. NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY ET AL.* *SAME v. MICHIGAN CENTRAL RAILROAD COMPANY ET AL.* *SAME v. PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY COMPANY.* *LEAVITT & COMPANY v. CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS RAILWAY COMPANY.* On rehearing, previous decision affirmed, except as to front axles for automobiles. *W. W. Brackett* for complainants. *O. W. Durbrow* and *E. W. Camp* for defendants. April 6, 1914. Complaints dismissed.

6015 (U. R. No. A-593). *HECKER CEREAL COMPANY v. CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL.* Reshipping rates on rolled oats from Milwaukee, Wis., to eastern points were properly denied. *G. A. Schroeder* for complainant. *R. H. Widdicombe* for defendants. April 7, 1914. Complaint dismissed.

5916 (U. R. No. A-594). *VULCAN DETINNING COMPANY v. ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY ET AL.* Rates on tin

plate from South Omaha, Nebr., Kansas City, Mo., and Denver, Colo., to Streator, Ill., not found unreasonable. *O. M. Rogers* for complainant. *D. L. Meyers* for defendants. April 7, 1914. Complaint dismissed.

5944 (U. R. No. A-595). *WESTERN TOOL & FORGE COMPANY v. ADAMS EXPRESS COMPANY*. Complaint as to express rates from Brackenridge, Pa., to certain western cities was satisfied. No appearance for complainant. *C. F. Patterson* for defendant. April 7, 1914. Complaint dismissed.

5951 (U. R. No. A-596). *CORNING GLASS WORKS v. BOSTON & ALBANY RAILROAD COMPANY ET AL.* Rates on litharge from East Cambridge, Mass., to Corning, N. Y., not found unreasonable. *O. M. Rogers* for complainant. *R. Van Ummersen* for defendants. April 7, 1914. Complaint dismissed.

5997 (U. R. No. A-597). *AMERICAN FURNITURE COMPANY v. CHICAGO & ERIE RAILROAD COMPANY ET AL.* Rates on screens from Huntington, Ind., to Denver, Colo., not found unreasonable. *J. Fibiger* for complainant. *R. H. Lord* for defendants. April 7, 1914. Complaint dismissed.

5389 (U. R. No. A-598). *HUMPHREYS-GODWIN COMPANY v. CHICAGO, ROCK ISLAND & PACIFIC RAILWAY COMPANY ET AL.* Unreasonable rates on cottonseed hulls from Little Rock, Ark., to Higgins, Tex., but claim for damages not filed within two years. *R. G. Clark* for complainant. *W. F. Dickinson, A. B. Enoch, Mr. Schnitzer*, and *D. L. Meyers* for defendants. April 6, 1914. No reparation awarded.

5961 (U. R. No. A-599). *ATWOOD-STONE COMPANY v. CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL.* Rates on grain screenings from Minneapolis, Minn., to South Bartonville, Ill., not found unreasonable. *E. J. Grover* for complainant. *O. W. Dynes* for defendants. April 7, 1914. Complaint dismissed.

5998 (U. R. No. A-600). *NIOKEY & SONS COMPANY (INC.) ET AL. v. MISSOURI & NORTH ARKANSAS RAILROAD COMPANY ET AL.* Unreasonable rates on logs from Dagget and Aubrey, Ark., to Memphis, Tenn. *J. R. Walker* for complainant. *C. D. Drayton* and *E. K. Bryan, jr.*, for defendants. April 7, 1914. Reparation to be awarded on furnishing proper proof.

5926 (U. R. No. A-601). *KALAMAZOO TANK & SILO COMPANY v. MICHIGAN CENTRAL RAILROAD COMPANY ET AL.* FOURTH SECTION APPLICATION No. 1873. Rates on lumber from Ballard and Larsor Wash., to Kalamazoo, Mich., not found unreasonable. *G. J. Bolend* for complainant. *D. P. Connell* for defendants. April 7, 1914. Complaint dismissed. Fourth Section Application granted in

6166 and 6166 (Sub. No. 1) (U. R. No. A-602). ALABAMA CHEMICAL COMPANY *v.* MOBILE & OHIO RAILROAD COMPANY ET AL. SAME *v.* SAME. Unreasonable rates on pyrites cinder from Montgomery, Ala., to Collinsville and Federal, Ill. *W. B. Stratford* for complainant. *F. W. Gwathmey* for defendants. April 7, 1914. No reparation awarded.

4903 (U. R. No. A-603). DAVIDSON LUMBER COMPANY ET AL. *v.* SOUTHERN RAILWAY COMPANY ET AL. Previous finding as to misrouting lumber from Camden, S. C., to Wilmington, Del., and Atlantic City, N. J., sustained. *J. R. Walker* for complainant. *R. W. Moore* and *M. P. Callaway* for defendants. April 6, 1914. Complaint dismissed.

5748 (U. R. No. A-604). CAMPBELL COAL COMPANY *v.* LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL. Rates on coal from Habersham, Tenn., to Tifton, Ga., not found unreasonable. *G. E. Heyser* for complainant. *M. P. Callaway* for defendants. March 9, 1914. Complaint dismissed.

6063 (U. R. No. A-605). CHATTANOOGA SEWER PIPE & FIRE BRICK COMPANY *v.* ALABAMA GREAT SOUTHERN RAILROAD COMPANY ET AL. Rates on sewer pipe from Chattanooga, Tenn., to Plaquemine, La., not found unreasonable. *B. R. Shepherd* for complainant. *F. W. Gwathmey* for defendants. April 7, 1914. Complaint dismissed.

5543 (U. R. No. A-606). DALE SAND COMPANY ET AL. *v.* SOUTHERN RAILWAY COMPANY ET AL. Rates on sand from La Grange and Saulsbury, Tenn., to Birmingham, Ala., not found unreasonable. *O. L. Bunn* for complainants. *A. M. Bull* for defendants. April 6, 1914. Complaint dismissed.

5817 (U. R. No. A-607). KALAMAZOO TANK & SILO COMPANY *v.* MICHIGAN CENTRAL RAILROAD COMPANY ET AL. Rates on silos from Kalamazoo, Mich., to Verona and Paris, Ky., not found unreasonable. *G. J. Bolender* for complainant. *E. H. Dulaney* for defendants. April 7, 1914. Complaint dismissed.

(U. R. No. A-608). REA-PATTERSON MILLING COMPANY *v.* PACIFIC RAILWAY COMPANY ET AL. Rates on wheat from St. Louis to Memphis, Tenn., not found unreasonable. *W. H. Wright* for complainant. *F. G. Wright* for defendants. April 7, 1914. Complaint dismissed.

(U. R. No. A-609). GEISMAR & HEYMAN *v.* ILLINOIS CENTRAL RAILROAD COMPANY. Failure to compress cotton linters from Grenada, Miss., to New Orleans, La., not in violation of law. *M. H. Feitel* for complainants. *R. W. Moore* and *M. C. Moore* for defendants. April 7, 1914. Complaint dismissed.

(U. R. No. A-610). FORESTER LUMBER COMPANY ET AL. *v.* SOUTHERN RAILWAY COMPANY ET AL. Allegation of misrouting of

lumber from Claremont, S. C., to Philadelphia, Pa., and from Kershaw, S. C., to Atlantic City, N. J., not sustained. *J. R. Walker* for complainants. *M. P. Callaway* for defendants. April 6, 1914. Complaint dismissed.

4521 and 4550 (U. R. No. A-611). *RIVERSIDE MILLS v. AUGUSTA & SAVANNAH STEAMBOAT COMPANY ET AL. ENTERPRISE MANUFACTURING COMPANY v. SAME.* Unreasonable rates on factory sweepings from Augusta, Ga., to Pawtucket, R. I., and on cotton piece goods from Augusta, Ga., to Saundersdale, Mass. *R. J. Southall* for complainant. *M. P. Callaway* for defendants. April 6, 1914. Reparation to be awarded on furnishing proper proof.

4713, 4713 (Sub No. 1), and 4999 (U. R. No. A-612). *CANTON BRIDGE COMPANY v. PENNSYLVANIA COMPANY ET AL. SAME v. SAME. MASSILLON BRIDGE & STRUCTURAL COMPANY v. SAME.* Rates on bridge iron from points in Ohio and Pennsylvania to points in Oklahoma not found unreasonable. *G. M. Stephen* and *S. J. Bolton* for complainants. *A. P. Burgwin, J. M. Bryson, C. S. Burg, J. W. Allen, F. G. Wright, C. C. P. Rausch, T. H. Bond,* and *W. M. Powers* for defendants. April 6, 1914. Complaints dismissed.

5424 (U. R. No. A-613). *COLORADO CHEMICAL & SPRAY MANUFACTURING COMPANY v. INDIANA HARBOR BELT RAILROAD COMPANY ET AL.* Claim for reparation based on violation of fourth section denied. *Griffith, Watson & Smith* for complainant. *E. N. Clark, J. G. Mc Murry, H. T. Rogers,* and *G. A. H. Fraser* for defendants. April 6, 1914. Complaint dismissed.

I. & S. 326 (U. R. No. A-614). *SALT RATES TO LOUISIANA POINTS.* Suspended tariffs canceled. *W. J. Tomkins* for protestants. *J. D. Watson* and *F. B. Clark* for respondents. May 5, 1914. No reparation awarded.

5600 (U. R. No. A-615). *ROSELAND TRUCK FARMERS' ASSOCIATION v. ILLINOIS CENTRAL RAILROAD COMPANY.* Overcharges on beets from Roseland, La., to Chicago, Ill. *E. G. Davies* and *J. R. Renter* for complainant. *R. W. Moore, M. C. Hall,* and *A. P. Humburg* for defendant. May 4, 1914. Reparation awarded for \$215.66.

5581 (U. R. No. A-616). *CITIZENS OF FALLS CHURCH v. WASHINGTON-VIRGINIA RAILWAY COMPANY.* Passenger fares between Washington, D. C., and Falls Church, Va., not found unreasonable. *R. C. L. Moncure, E. T. Fenwick,* and *E. B. Fox* for complainants. *J. S. Barbour* for defendant. April 6, 1914. Complaint dismissed.

4554 (U. R. No. A-617). *NATIONAL COAL COMPANY v. BALTIMORE & OHIO RAILROAD COMPANY.* Unequal distribution of coal cars in Guernsey county, Ohio. *A. B. Baird* for complainant. *W. A. Parker* for defendant. May 15, 1914. Reparation awarded for \$305.38.

2486 (U. R. No. A-618). GISHOLT MACHINE COMPANY *v.* CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL. Unreasonable rates on machinery from Madison, Wis., to East Boston, Mass. *G. E. Gernon* for complainant. *K. K. Knapp, R. W. Campbell, S. A. Lynde, O. E. Butterfield,* and *Clyde Brown* for defendants. May 5, 1914. Reparation awarded for \$23.08.

5267 (U. R. No. A-619). SEA GULL SPECIALTY COMPANY *v.* BALTIMORE STEAM PACKET COMPANY. Reparation awarded on baking powder improperly classified. *J. C. Colquitt* for Interstate Commerce Commission. *R. Barton, jr.,* for complainant. *R. W. Moore, M. C. Hall, F. L. Ballard, W. C. Coleman, P. B. Thompson,* and *E. J. Chism* for defendants. May 19, 1914. Reparation awarded for (total) \$4,398.09.

3651 (U. R. No. A-620). KINDEL *v.* ADAMS EXPRESS COMPANY ET AL. Present express rates between Denver, Colo., and eastern cities not found unreasonable. *C. Whitehead* and *A. L. Vogl* for complainant. *T. B. Harrison, jr., C. W. Stockton,* and *B. K. Kerfoot* for defendants. May 5, 1914. Complaint dismissed.

5596 (U. R. No. A-621). LOWER COAST GROWERS' & SHIPPERS' ASSOCIATION *v.* AMERICAN EXPRESS COMPANY ET AL. Complaint in respect to rates on lettuce from New Orleans, La., to Chicago, Ill., satisfied. *E. G. Davies* for complainant. *T. B. Harrison, jr., R. W. Moore,* and *M. C. Hall* for defendants. May 5, 1914. Complaint dismissed.

6165 (U. R. No. A-622). VAN VOORHIES & COMPANY *v.* CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL. Unreasonable rates on leather horse collar caps from Buchanan, Mich., to Sacramento, Cal. *O. J. Bradley* for complainant. *A. P. Matthew* and *G. D. Squires* for defendants. May 4, 1914. Reparation to be awarded on furnishing proper proof.

5486 (U. R. No. A-623). BROWN-ROBERTS HARDWARE & SUPPLY COMPANY (LTD.) *v.* LOUISIANA RAILWAY & NAVIGATION COMPANY ET AL. Unreasonable rates on loaded shells from Bridgeport and New Haven, Conn., and New York, N. Y., to Alexandria, La. *H. J. Fernandez* for complainant. *E. C. D. Marshall, V. Leovy,* and *C. W. Owen* for defendants. May 4, 1914. Reparation to be awarded on furnishing proper proof.

5653 (U. R. No. A-624). LOGAN CONCRETE & ENGINEERING COMPANY *v.* GEORGIA SOUTHERN & FLORIDA RAILWAY COMPANY ET AL. Damages for expenses of draying brick at Jacksonville, Fla., because of refusal to switch. *J. A. Campbell* for complainant. *M. C. Hall* for defendants. May 4, 1914. Reparation awarded for \$179.26.

5923 (U. R. No. A-625). LEAHY MANUFACTURING COMPANY *v.* MISSOURI PACIFIC RAILWAY COMPANY ET AL. Improper classifica-

tion of mixed carloads of incubators and brooders moving from Higginsville, Mo., to Atchison, Kans. *O. M. Rogers* and *J. LeGro* for complainant. *H. G. Herbel, C. C. P. Rausch, Winston, Payne, Strawn & Shaw* and *R. C. Fyfe* for defendants. May 4, 1914. Reparation awarded for (total) \$40.38.

5641 (U. R. No. A-626). *MONTAGUE MAILING MACHINERY COMPANY v. NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY ET AL.* Rates from Chattanooga, Tenn., to Omaha, Nebr., on filing cabinets and printed matter found in excess of tariff and on addressing, imprinting, and mailing machines, and typographs, found unreasonable. *O. L. Bunn* for complainant. *R. W. Moore, F. W. Gwathmey,* and *R. C. Fyfe* for defendants. May 4, 1914. No reparation awarded.

5788 (U. R. No. A-627). *SIMONS v. TEXAS & PACIFIC RAILWAY COMPANY ET AL.* Damages caused by failure to issue bill of lading in proper form on household goods from Dallas, Tex., to Columbia, S. C. *E. A. Simons* for complainant. *A. M. Bull* for defendant. May 12, 1914. Reparation awarded for \$29.

6072 (U. R. No. A-628). *BASS & HARBOUR COMPANY v. MISSOURI, OKLAHOMA & GULF RAILWAY COMPANY ET AL.* Unreasonable rates on carpet lining from New London, Conn., to Muskogee, Okla. *R. D. Sangster* for complainant. *M. L. Clardy, H. G. Herbel, F. G. Wright,* and *H. L. Traber* for defendants. May 4, 1914. Reparation awarded for \$36.74.

4837 (U. R. No. A-629). *OMAHA COOPERAGE COMPANY v. ILLINOIS CENTRAL RAILROAD COMPANY ET AL.* Rates on oak staves from Columbus, Miss., to South Omaha, Nebr., not found unreasonable. *R. M. Welch* for complainant. *R. W. Moore* for defendants. May 4, 1914. Complaint dismissed.

4080 (U. R. No. A-630). *SHEFFIELD-KING MILLING COMPANY v. IOWA CENTRAL RAILWAY COMPANY ET AL.* Rates on coal from Farmington, Ill., to Faribault, Minn., not found unreasonable. *J. I. Dille* for complainant. *W. F. Dickinson, L. B. Bayard, G. W. Seevers,* and *J. Everall* for defendants. May 4, 1914. Complaint dismissed.

5464 and 5464 (Sub-Nos. 1 to 11) (U. R. No. A-631). *MURPHEY COMPANY v. CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL.* *ANDA PRODUCE COMPANY v. CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL.* *MAHAFFEY COMPANY v. MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY COMPANY ET AL.* *MAHAFFEY COMPANY v. CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL.* *STARKS COMPANY v. CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL.* *MURPHEY COMPANY v. CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL.* *STARKS COMPANY v. CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL.* *ANDA PRODUCE COMPANY v. CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL.*

STARKS COMPANY v. CHICAGO & NORTH WESTERN RAILWAY COMPANY ET AL. **MURPHEY COMPANY v. CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL.** **ANDA PRODUCE COMPANY v. CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL.** **STARKS COMPANY v. MINNEAPOLIS, ST. PAUL, SAULT STE. MARIE RAILWAY COMPANY ET AL.** Rates on potatoes from Wisconsin points to points in Illinois, Iowa, Missouri, Kansas, Nebraska, Arkansas, and Oklahoma not found unreasonable. *Collett & Hutchinson* for complainants. *O. W. Dynes, C. C. Wright, R. H. Widdicombe, F. G. Wright, A. H. Lossow, E. S. Briggs, J. G. Wilson, W. T. Hughes, R. B. Scott, F. S. Hollands, A. P. Humburg, H. M. Pearce,* and *J. B. Call* for defendants. May 12, 1914. Complaints dismissed.

5856 (U. R. No. A-632). **MEMPHIS FREIGHT BUREAU v. ILLINOIS CENTRAL RAILROAD COMPANY ET AL.** Increased rates on barrels from Memphis, Tenn., to New Orleans and Gretna, La., found reasonable. *T. K. Riddick* for complainant. *C. D. Drayton* and *F. G. Wright* for defendants. May 12, 1914. Complaint dismissed.

5248 (U. R. No. A-633). **MERCHANTS' FREIGHT BUREAU OF LITTLE ROCK v. ST. LOUIS, IRON MOUNTAIN & SOUTHERN RAILWAY COMPANY ET AL.** Rates on agricultural implements from points in Missouri, Illinois, and Tennessee to Little Rock, Ark., not found unreasonable. *Cohn & Cohn* for complainant. *M. L. Clardy, H. G. Herbel, F. G. Wright, W. F. Dickinson, W. T. Hughes,* and *J. E. Johansen* for defendants. May 12, 1914. Complaint dismissed.

6191 (U. R. No. A-634). **RUDDOCK ORLEANS CYPRESS COMPANY v. LOUISIANA RAILWAY & NAVIGATION COMPANY ET AL.** Allegation of erroneous weight on lumber shipped from New Orleans, La., to St. Joseph, Mo., not sustained. *R. J. Perkins* for complainant. *E. C. D. Marshall* for defendants. May 4, 1914. Complaint dismissed.

6142 (U. R. No. A-635). **MINTER & COMPANY v. ATLANTIC COAST LINE RAILROAD COMPANY.** Demurrage charges collected at Jacksonville, Fla., on steel from Roanoke, Va., not improperly assessed. *C. Roberson* for complainant. *R. W. Moore* and *M. C. Hall* for defendant. May 4, 1914. Complaint dismissed.

6011 (U. R. No. A-636). **PFISTER & VOGEL LEATHER COMPANY ET AL. v. DEPUE & NORTHERN RAILROAD COMPANY ET AL.** Certain rates on sulphuric acid from Howe and Nassau, Ill., to Milwaukee and Carrollville, Wis., not found unreasonable, but other rates on that product from said points to Milwaukee found unreasonable. *A. B. Caswell* for complainants. *R. H. Widdicombe, O. W. Dynes,* and *E. L. Godfrey* for defendants. May 4, 1914. Reparation to be awarded on furnishing proper proof.

6007 and 6211 (U. R. No. A-637). **NORTON COMPANY v. NORTHERN PACIFIC RAILWAY COMPANY ET AL.** **FRYE & COMPANY v. SAME.**

Increased rates on hides from Seattle, Wash., to Mississippi River and other points justified. *Higgins & Hughes* and *J. N. Teal* for complainants. *L. B. da Ponte* and *J. F. Finerty, jr.*, for defendants. May 4, 1914. Complaints dismissed.

5802 (U. R. No. A-638). *FLANLEY GRAIN COMPANY v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY ET AL.* Rates on corn from Remsen, Iowa, to Kansas City, Mo., not found unreasonable. *G. T. Bell* for complainant. *C. E. Spens*, *A. F. Cleveland*, and *A. P. Humburg* for defendants. May 4, 1914. Complaint dismissed.

5749 (U. R. No. A-639). *HOOSAC TUNNEL & WILMINGTON RAILROAD COMPANY v. DELAWARE & HUDSON COMPANY ET AL.* Damages for extraordinary expenses on rails, splices, and angle bars from Loon Lake, N. Y., to Hoosac Tunnel, Mass., not allowed. *Kellas & Kellas* for complainant. *J. E. Lean* and *L. E. Carr* for defendants. May 4, 1914. Complaint dismissed.

5706 (U. R. No. A-640). *CRANE-JOHNSON COMPANY v. GREAT NORTHERN RAILWAY COMPANY.* Rates on lumber from points in Washington and Idaho and on building material from Duluth, Minn., to points in North Dakota not found unreasonable, and demurrage charge on certain shipments at Page, N. Dak., found lawful. *F. C. Potter* for complainant. *J. F. Finerty, jr.*, for defendant. May 4, 1914. Complaint dismissed.

3921 (U. R. No. A-641). *UNITED STATES v. PENNSYLVANIA RAILROAD COMPANY ET AL.* Passenger fares from Brooklyn and New York, N. Y., and Philadelphia, Pa., to points in Tennessee not found unreasonable. *G. Egerton*, *W. B. Crowell*, *L. E. Wiltberger*, and *C. A. Bowman* for complainant. *R. W. Moore* and *M. C. Hall* for defendants. May 4, 1914. Complaint dismissed.

5691 (U. R. No. A-642). *GRIEGER v. GREAT NORTHERN RAILWAY COMPANY.* Rates on coal from Princeton, B. C., to Oroville, Wash., and on lumber from Valley, Wash., to Oroville, not found unreasonable. *R. J. Knott* for complainant. *J. F. Finerty, jr.*, for defendant. May 4, 1914. Complaint dismissed.

5537 (U. R. No. A-643). *ANDERSON-TULLY COMPANY v. ALABAMA & VICKSBURG RAILWAY COMPANY ET AL.* Unreasonable rates on box shocks from Vicksburg, Miss., to Port Arthur, Tex. *H. B. Anderson* for complainant. *S. W. Moore*, *J. M. Souby*, *E. A. Smith*, and *R. V. Fletcher* for defendants. May 4, 1914. Reparation to be awarded on furnishing proper proof.

5062, 5062 (Sub-No. 2), and 5062 (Sub-No. 1) (U. R. No. A-644). *GOLDFIELD CONSOLIDATED MILLING & TRANSPORTATION COMPANY v. ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY ET AL.* SAME *v. SAME.* *TONOPAH BELMONT DEVELOPMENT COMPANY v. SAME.* Original finding that rate on cyanide of potassium from San Diego,

Cal., to points in Nevada was not unreasonable, affirmed. *H. C. Leavitt* and *Brown & Baer* for complainants. *E. W. Camp*, *T. J. Norton*, *W. D. Cole*, and *J. H. Evans* for defendants. May 4, 1914. Complaints dismissed.

5289 (U. R. No. A-645). *CURRY & WHYTE COMPANY ET AL. v. GREAT NORTHERN RAILWAY COMPANY*. Rates on pulpwood from points in Minnesota to Superior, Wis., should not exceed those on sawlogs from the same points of origin to Superior. *Watson & Abernethy* for complainants. *J. F. Finerty, jr.*, for defendant. May 4, 1914. No reparation awarded.

5104 (U. R. No. A-646). *DAKOTA & WESTERN RAILWAY COMPANY v. RAPID CITY, BLACK HILLS & WESTERN RAILROAD COMPANY ET AL.* Unreasonable rates on steel rails from Omaha, Nebr., to McGee, S. Dak. *W. G. Miser* for complainant. *R. B. Scott* and *C. O. Bailey* for defendants. May 4, 1914. Reparation awarded for \$1,108.42.

6131 (U. R. No. A-647). *BUICK MOTOR COMPANY v. SOUTHERN KANSAS RAILWAY COMPANY OF TEXAS ET AL.* Unreasonable rates on automobiles from Amarillo, Tex., to Oklahoma City, Okla. *W. H. Vesper* for complainant. *H. R. Teasdale* for defendants. May 25, 1914. Reparation awarded for \$11.70.

6245 (U. R. No. A-648). *MILLER & COMPANY v. NORTHERN PACIFIC RAILWAY COMPANY ET AL.* Unjust discrimination in regard to protection of potatoes from stations in Minnesota to Oklahoma City, Okla., was eliminated by carriers. *J. E. Robinson* for complainant. *C. Donnelly*, *W. F. Finerty, jr.*, and *C. F. Murphey* for defendants. June 9, 1914. Complaint dismissed.

5579 and 5579 (Sub-No. 1) (U. R. No. A-649). *JACOB v. SOUTHERN PACIFIC COMPANY ET AL. WEST v. SAME.* Class rates from New York, N. Y., to Leesville, La., not found unreasonable. *T. A. Carter* for complainants. *S. W. Moore*, *J. M. Souby*, *Denegre*, *Leovy & Chaffee*, and *F. H. Wood* for defendants. May 25, 1914. Complaint dismissed.

5940 (U. R. No. A-650). *LEE BROOM & DUSTER COMPANY v. ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY ET AL.* Unreasonable rates on broom corn from Higgins, Tex., to Lincoln, Nebr. *C. A. Steel* for complainant. *H. H. Holcomb* for defendants. May 19, 1914. Reparation awarded for (total) \$159.76.

6019 (U. R. No. A-651). *MENASHA WOODENWARE COMPANY v. MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RAILWAY COMPANY ET AL.* Unreasonable rates on barrels from Menasha, Wis., to Texarkana, Ark. *O. M. Rogers* for complainant. *F. G. Wright*, *O. W. Dynes*, and *C. A. Lahey* for defendants. May 19, 1914. Reparation awarded for (total) \$120.69.

5007 (U. R. No. A-652). *ATKINSON-WILLIAMS HARDWARE COMPANY ET AL. v. ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY*

ET AL. Unreasonable rates on door and window locks, knobs, transom and window lifts from eastern points to Fort Smith, Ark. *C. D. Mowen* for complainants. *F. G. Wright* and *R. C. Fyfe* for defendants. May 25, 1914. No reparation awarded.

6020 (U. R. No. A-653). **REA-PATTERSON MILLING COMPANY v. MISSOURI, KANSAS & TEXAS RAILWAY COMPANY.** Unreasonable rates on wheat from points in Kansas and Missouri to destinations in Oklahoma. *W. H. Marshall* for complainant. *J. W. Allen* for defendant. June 4, 1914. Reparation awarded for \$160.75.

I. & S. 317 (U. R. No. A-654). **RATES ON COTTONSEED HULLS.** Proposed increased rates on cottonseed hulls from Texas points to New Orleans, La., found reasonable and order of suspension vacated. *H. M. Garwood*, *J. R. Christian*, *C. W. Owens*, *C. H. Webb*, and *H. S. L'Homedieu* for respondents. April 13, 1914. No reparation awarded.

5959 (U. R. No. A-655). **AMERICAN LUMBER & MANUFACTURING COMPANY v. CHESAPEAKE & OHIO RAILWAY COMPANY ET AL.** Misrouting lumber shipped from Ashland, Ky., to Sault Ste. Marie, Ont. *C. A. Droz* for complainant. *J. S. Patterson*, *J. A. Scheuerman*, and *R. H. Main* for defendants. May 26, 1914. Reparation awarded for \$29.16.

5906 (U. R. No. A-656). **LEE BROOM & DUSTER COMPANY v. FORT WORTH & DENVER CITY RAILWAY COMPANY ET AL.** Unreasonable rates on broom corn from Texline, Tex., to Lincoln, Nebr. *C. A. Steel* for complainant. No appearance for defendants. June 8, 1914. Reparation awarded for \$29.56.

6173 (U. R. No. A-657). **MOUNT PLEASANT FERTILIZER COMPANY v. SOUTHERN RAILWAY COMPANY ET AL.** Unreasonable rates on cottonseed meal from Corinth, Miss., to Mount Pleasant, Tenn. *G. M. Stephen* and *S. J. Bolton* for complainant. *C. B. Northrop*, *A. M. Bull*, and *E. D. Mohr* for defendants. May 19, 1914. Reparation awarded for \$100.

5789 (U. R. No. A-658). **CARPENTER-OLWELL LUMBER COMPANY v. NORTHERN PACIFIC RAILWAY COMPANY ET AL.** Unreasonable rates on shingles from Bothell, Wash., to Prosper, Tex. *W. Metzenbaum* and *E. L. Fairbanks* for complainant. *L. B. da Ponte* and *R. B. Scott* for defendants. May 25, 1914. Reparation awarded for \$138.69.

5873 (U. R. No. A-659). **DURHAM COAL & IRON COMPANY v. LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL.** Unlawful rates on mules from East St. Louis, Ill., to Sale Creek, Tenn. *O. L. Bunn* for complainant. *N. W. Proctor* and *F. W. Gwathmey* for defendants. May 4, 1914. Reparation awarded for \$29.60.

6288 (U. R. No. A-660). **VIRGINIA-CAROLINA CHEMICAL COMPANY ET AL v. LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL.**

Rates on phosphate rock from Mount Pleasant and Gordonsburg, Tenn., to Shreveport, La., not found unreasonable. *H. W. B. Glover* for complainants. *W. Burger* for defendants. June 4, 1914. Complaint dismissed.

5934 (U. R. No. A-661). FULLERTON-MOSES TIE COMPANY *v.* MISSOURI PACIFIC RAILWAY COMPANY ET AL. Rates on crossties from points in Missouri to Dearborn, Mo., via interstate route, not found unreasonable. *R. W. Hall* for complainant. *F. P. Sackbauer* for defendants. April 7, 1914. Complaint dismissed.

5646 (U. R. No. A-662). PACIFIC MAIL STEAMSHIP COMPANY *v.* GREAT NORTHERN RAILWAY COMPANY. Passenger fares charged on around-the-world tickets for the portion within the United States were authorized by tariffs. *C. W. Durbrow* for complainant. *J. F. Finerty, jr.*, for defendant. June 8, 1914. Complaint dismissed.

5932 (U. R. No. A-663). NORTHWESTERN COMPO-BOARD COMPANY *v.* AHNAPEE & WESTERN RAILWAY COMPANY ET AL. Classification of compo-boards in western classification territory not found unreasonable. *Wilson, Mercer, Swan & Stinchfield* for complainant. *A. H. Lossow, O. W. Dynes, R. C. Fyfe*, and *J. F. Finnerty, jr.*, for defendants. June 4, 1914. Complaint dismissed.

6004 (U. R. No. A-664). CALIFORNIA INK COMPANY *v.* MISSOURI, OKLAHOMA & GULF RAILWAY COMPANY ET AL. Rates on carbon black from points in West Virginia and Oklahoma to California terminals not found unreasonable. *L. A. Bailey* for complainant. *H. A. Scandrett, G. D. Squires, A. P. Matthew, T. J. Norton*, and *E. W. Camp* for defendants. June 8, 1914. Complaint dismissed.

5882 and 5882 (Sub-Nos. 1 and 2) (U. R. No. A-665). NORTHWEST COAL COMPANY *v.* UNION PACIFIC RAILROAD COMPANY ET AL. SAME *v.* SAME. SAME *v.* OREGON SHORT LINE RAILROAD COMPANY ET AL. Rates on coal from Rock Springs and Diamondville, Wyo., to Butte and Rucker, Mont., not found unreasonable. *Kremer, Sanders & Kremer* for complainant. *H. A. Scandrett, N. H. Loomis, P. L. Williams, J. V. Lyle*, and *J. C. Maring* for defendants. June 8, 1914. Complaint dismissed.

5672 (U. R. No. A-666). GAYOSO LUMBER COMPANY *v.* GULF & SHIP ISLAND RAILROAD COMPANY ET AL. Rates on lumber from Mississippi points to Memphis, Tenn., not found unreasonable. *J. R. Walker* for complainant. *C. D. Drayton* for defendants. June 4, 1914. Complaint dismissed.

5526 (U. R. No. A-667). MONACK ET AL *v.* PENNSYLVANIA RAILROAD COMPANY ET AL. Unjust discrimination in rates on grapes from points in Michigan and New York to Charleroi, Pa., was removed. *D. M. McClosky* for complainants. *F. L. Ballard* and *D. P. Connell* for defendants. June 8, 1914. Complaint dismissed.

5509 (U. R. No. A-668). CLIMAX CLEANER & CLEVELAND PASTE COMPANY v. BALTIMORE & OHIO RAILROAD COMPANY ET AL. Rating under official classification on "Climax cleaner" not found unreasonable. *Winn, Bell & Bishop* for complainant. *Squire, Sanders & Dempsey* and *R. F. Denison* for defendants. May 25, 1914. Complaint dismissed.

5474 (U. R. No. A-669). LATHAM COMPANY v. SOUTHERN RAILWAY COMPANY. Rates on cotton from Norfolk, Va., to points in Carolina territory adjusted. *T. S. Beall* for complainant. *A. M. Bull* for defendant. June 8, 1914. Complaint dismissed.

5448 (U. R. No. A-670). BOARD OF RAILROAD COMMISSIONERS OF THE STATE OF MONTANA v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY ET AL. Unreasonable rates on petroleum and its products from Cowley, Wyo., to points in Montana. *E. A. Morley* and *O. W. Tong* for complainant. *E. T. Clark, H. H. Holcomb, H. H. Brown, R. B. Scott, C. Donnelley, J. F. Finnerty, jr.,* and *J. C. Maring* for defendants. June 4, 1914. No reparation awarded.

5291 (U. R. No. A-671). IN THE MATTER OF EXPRESS CLASSIFICATION OF BREAD, OTHER BAKERY PRODUCTS, AND YEAST. The block system of express rates prescribed by the Commission will not be disturbed because the cost of transporting certain articles will be increased. *W. Drew, C. B. Ellis, W. H. Ellis,* and *C. E. Cotterill* for complainants. *B. P. Kerfoot, C. W. Stockton, G. L. Shearer, E. M. Williams, E. W. Bennett, T. B. Harrison, jr.,* and *L. M. Coulston* for defendants. May 25, 1914. Proceedings dismissed.

4935 (U. R. No. A-672). DIXIE COTTON OIL COMPANY v. ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY ET AL. Rates on cottonseed from Wellston, Okla., to Little Rock, Ark., not found unreasonable. *A. R. Bragg* for complainant. *W. M. Powers, T. Bond,* and *G. F. Schnitzer* for defendants. June 8, 1914. Complaint dismissed.

4149 (U. R. No. A-673). KING PAPER COMPANY v. LAKE SHORE & MICHIGAN SOUTHERN RAILWAY COMPANY ET AL. Rates on printing paper from Kalamazoo, Mich., to Rock Island, Ill., not found unreasonable. *G. M. Stephen* for complainant. *D. P. Connell, W. T. Hughes, J. H. Campbell, R. B. Scott, S. L. Strauss,* and *William Ellis* for defendants. June 8, 1914. Complaint dismissed.

5868 (U. R. No. A-674). AMERICAN HAIR FELT COMPANY v. CHICAGO MILWAUKEE & ST. PAUL RAILWAY COMPANY. Rates on hair felt from Kansas City, Mo., and Chicago, Ill., to Milwaukee, Wis., not found unreasonable. May 25, 1914. Complaint dismissed.

6016 (U. R. No. A-675). HOOPES & SONS v. CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY ET AL. Claim on cabbage shipped from Orphans' Home Switch, Iowa, to Duluth, Minn., barred. *J. H. Henderson* and *D. N. Lewis* for complainants. *O. W. Dynes, W. S.*

Howell, W. F. Dickinson, W. T. Hughes, and M. A. Patterson for defendants. June 4, 1914. Complaint dismissed.

6062 (U. R. No. A-676). CHATTANOOGA SEWER PIPE & FIRE BRICK COMPANY *v.* SOUTHERN RAILWAY COMPANY ET AL. Rates on sewer pipe from Chattanooga, Tenn., to Florence, S. C., not found unreasonable. *B. R. Shepherd* for complainant. *F. W. Gwathmey* for defendants. June 8, 1914. Complaint dismissed.

6123 (U. R. No. A-677). NOBLE *v.* SAN ANTONIO & ARANSAS PASS RAILWAY COMPANY ET AL. Rates on elm hoops from Sublime, Tex., to Thebes, Ill., not found unreasonable. *G. A. Medaris* for complainant. *R. D. Coleman* for defendants. June 8, 1914. Complaint dismissed.

5140 (U. R. No. A-678). WAGNER & SONS *v.* FLORIDA EAST COAST RAILWAY COMPANY ET AL. Rates on potatoes from Miami, Fla., to Chicago, Ill., not found unreasonable. *G. L. Filer* for complainants. *C. R. Young* and *A. St. Clair Abrams* for defendants. May 25, 1914. Complaint dismissed.

6690 (U. R. No. A-679). STATE OF SOUTH DAKOTA ET AL. *v.* ALABAMA & VICKSBURG RAILWAY COMPANY ET AL. Unreasonable rate on citrus fruits from Jacksonville, Fla., to Sioux Falls, S. Dak. *P. W. Dougherty, W. B. Smith, and D. L. Kelly* for complainants. *A. P. Humburg, O. W. Dynes, and J. G. Love* for defendants. June 9, 1914. Reparation awarded for \$136.32.

4216 (U. R. No. A-680). FREIGHT BUREAU OF THE MERCHANTS & MANUFACTURERS ASSOCIATION OF BIRMINGHAM *v.* LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL. FOURTH SECTION APPLICATIONS Nos. 601 and 1952. Unduly prejudicial rates on coffee from New Orleans, La., to Birmingham, Ala. *J. T. Slatter* for complainants. *W. A. Northcutt, R. W. Moore, and M. P. Callaway* for defendants. May 25, 1914. Fourth section applications denied and no reparation awarded.

5151 and 5946 (U. R. No. A-681). AETNA POWDER COMPANY *v.* WABASH RAILROAD COMPANY ET AL. SAME *v.* SAME. Unreasonable rates on explosives from Aetna, Ind., to Concord Junction, Mass. *W. E. McCornack* for complainant. *N. S. Brown, H. E. Watts, Kretzinger & Kretzinger, W. A. Kittermaster, Winston, Payne, Strawn & Shaw, and C. H. Blatchford* for defendants. June 29, 1914. Reparation awarded for \$229.80.

I. & S. 305 (U. R. No. A-682). RATES ON HIGH EXPLOSIVES. Schedules proposing to cancel through rate on dynamite from Chicago, Ill., to Concord Junction, Mass., canceled. *M. V. Kannally* for complainant. *G. W. Kretzinger* for defendants. June 29, 1914. No reparation awarded.

NOTE.—The amount of reparation awarded in above cases aggregates \$183,035.46.

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5164. INTERMOUNTAIN AUTO COMPANY *v.* LAKE SHORE & MICHIGAN SOUTHERN RAILWAY COMPANY ET AL. April 7, 1914. Reparation for \$12 on shipment of automobiles from Minnesota Transfer, Minn., to Boise, Idaho, on account of misrouting.

5551. LONG & COMPANY *v.* ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY. April 7, 1914. Reparation for \$47.62 on shipment of hogs from Springdale, Ark., to East St. Louis, Ill., on account of unreasonable rate.

5647. HURON MILLING COMPANY *v.* PERE MARQUETTE RAILROAD COMPANY ET AL. April 7, 1914. Reparation for \$3,224.18 on shipments of corn from Chicago, Ill., to Harbor Beach, Mich., on account of unreasonable rate.

5714. SWIFT BEEF COMPANY (LTD.) *v.* CANADIAN PACIFIC RAILWAY COMPANY ET AL. April 7, 1914. Reparation for \$545 on shipments of cattle from West Toledo, Ontario, to Philadelphia, Pa., and Baltimore, Md., on account of unreasonable rates.

5809. CAMDEN IRON WORKS ET AL. *v.* SOUTHERN RAILWAY COMPANY. April 7, 1914. Reparation for \$1,295.80 on shipments of pig iron from Birmingham, Ala., district to eastern destinations on account of unreasonable wharfage and handling charges at Norfolk terminals.

5809 (Sub-No. 2). CAMDEN IRON WORKS *v.* SEABOARD AIR LINE RAILWAY. April 7, 1914. Reparation for \$380.25 on shipments of pig iron from Birmingham, Ala., district to eastern destinations on account of unreasonable wharfage and handling charges at Norfolk terminals.

5809 (Sub-No. 3). CAMDEN IRON WORKS ET AL. *v.* NORFOLK & WESTERN RAILWAY COMPANY. April 7, 1914. Reparation for \$1,214.48 on shipments of pig iron from Birmingham, Ala., district to eastern destinations on account of unreasonable wharfage and handling charges at Norfolk terminals.

3774. HOUSTON PACKING COMPANY *v.* TEXAS & NEW ORLEANS RAILROAD COMPANY ET AL. May 5, 1914. Reparation for \$154.90 on shipments of packing-house products from Houston, Tex., to Lake Charles, La., on account of unreasonable rate.

5198 (Sub-No. 2). SNOW LUMBER COMPANY ET AL. v. PENNSYLVANIA RAILROAD COMPANY ET AL. May 5, 1914. Reparation for \$2,356.27 on shipments of window glass and rolled glass from various points to High Point, N. C., on account of unreasonable rates.

5280. MARSHALL OIL COMPANY OF IOWA v. CHICAGO GREAT WESTERN RAILROAD COMPANY ET AL. May 5, 1914. Reparation for \$298.61 on shipments of petroleum and its products from Marshalltown, Iowa, to Kansas City, Mo., on account of unreasonable rate.

5302. EL PASO REFINING COMPANY (INC.) v. RIO GRANDE & EL PASO RAILROAD COMPANY ET AL. May 5, 1914. Reparation for \$717.89 on shipments of lard substitute from El Paso, Tex., to points in New Mexico, on account of unreasonable and discriminatory rates.

5720. VALLEY LUMBER & TIMBER COMPANY v. THE WESTERN MARYLAND RAILWAY COMPANY ET AL. May 5, 1914. Reparation for \$322.45 on shipments of crossties from points in West Virginia to Broadford Junction, Pa., on account of unreasonable rates.

1732. PENROD WALNUT & VENEER COMPANY v. CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY ET AL. June 8, 1914. Reparation for \$16.01 on shipments of veneer from Kansas City, Mo., to various points on account of unreasonable rates.

5356. LOUISVILLE CEMENT COMPANY v. LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL. June 8, 1914. Reparation for \$595.15 on shipments of coal from North Jellico and Wilton, Ky., to Speeds, Ind., on account of unreasonable rate.

5767. WILLIAMS v. WESTERN MARYLAND RAILWAY COMPANY ET AL. June 9, 1914. Reparation for \$149.80 on shipments of ties from Purshall, W. Va., to Cuyahoga Falls, Ohio, on account of unreasonable rates.

5479. ATTWOOD COMPANY v. NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY. June 9, 1914. Reparation for \$265.19 on shipments of pine lumber from Bridgeport, Ala., to various points on account of unreasonable rates.

5998. NICKEY & SONS COMPANY (INC.) ET AL. v. MISSOURI & NORTH ARKANSAS RAILROAD COMPANY ET AL. June 9, 1914. Reparation for \$1,646.89 on shipments of logs from Daggett and Aubrey, Ark., to Memphis, Tenn., on account of unreasonable rates.

3920. INTERNATIONAL AGRICULTURAL CORPORATION v. LOUISVILLE & NASHVILLE RAILROAD COMPANY ET AL. June 16, 1914. Reparation for \$51,505.38 on shipments of sulphuric acid from Copperhill, Tenn., to various points on account of unreasonable rates.

3944. PRICE CEREAL PRODUCTS COMPANY ET AL. v. CHICAGO & ALTON RAILROAD COMPANY ET AL. July 2, 1914. Reparation for \$1,058.64 on shipments of cereal products from Lockport, Ill., to various destinations on account of unreasonable rates.

4703. BRYANT COMPANY v. FORT WORTH & DENVER CITY RAILWAY COMPANY ET AL. July 2, 1914. Reparation for \$889.22 on shipments of coconuts and bananas from New Orleans, La., to Amarillo, Tex., on account of unreasonable rate.

5467. CAVERS ELEVATOR COMPANY ET AL. v. MISSOURI PACIFIC RAILWAY COMPANY ET AL. July 2, 1914. Reparation for \$572, on account of unreasonable switching charges at Council Bluffs, Iowa.

5486. BROWN-ROBERTS HARDWARE & SUPPLY COMPANY (LTD.) v. LOUISIANA RAILWAY & NAVIGATION COMPANY ET AL. July 2, 1914. Reparation for \$253.82 on shipments of loaded shells from Bridgeport and New Haven, Conn., to Alexandria, La., on account of unreasonable rates.

4512. DISHER HOOP & LUMBER COMPANY v. ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY ET AL. July 18, 1914. Reparation for \$1,887.12 on shipments of coiled elm hoops from Chaffee, Mo., to Thebes, Ill., on account of unreasonable rate.

NOTE.—The amount of reparation accorded in above cases aggregates \$69,408.67.

80 L. C. C.

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- Agricultural implements. *See* Implements.
- Apples. Western New York to eastern markets. Car fitting, 437.
- Automobiles and parts. Dunnage allowances, 538.
- Bakery goods. Dunnage allowances, 538.
- Bananas. Gulf ports to various destinations, 621.
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- Bark, tan. Delrio, Tenn., to Ashville, N. C. 585.
- Berries. California from points in Nevada, Arizona, and other States, 56.
- Berries. Milwaukee, Wis., to and from points on Grand Rapids, Grand Haven & Muskegon Ry. and the Crosby Transp. Co. 653.
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- Bran. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Brick. Dunnage allowances, 538.
- Broom corn. *See* Corn.
- Brooms. Wichita, Kans., to Pacific coast points, 45.
- Butter. Chicago to southern territory, 349.
- Cabbage. Western New York to eastern markets. Car fitting, 437.
- Cables. Dunnage allowances, 538.
- Canned goods, in fiber or wooden boxes. California terminals to eastern destinations, 117.
- Carrots. Western New York to eastern markets. Car fitting, 437.
- Cement. Mason City, Iowa, to points in Minnesota and North Dakota, 426.
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- Class and commodity rates. Eastern cities, Ohio river crossings, and New Orleans, La., to South Atlantic and Gulf ports, 153.
- Class and commodity rates. Jersey City, N. J., and New York, N. Y., to Baltimore, Md., via Gettysburg, Pa. 396.

- Class and commodity rates. New Orleans, Harvey, and Port Chalmette, La., to Brownsville, Tex. 479.
- Class and commodity rates. Washington, D. C., from Boston, Mass., New York, N. Y., and Philadelphia, Pa. 455.
- Class and commodity rates. Washington, D. C., to and from New York, N. Y., Richmond, Va., New England, eastern, southern, and southeastern territories, and the Carolinas, 446.
- Class and commodity rates. Wichita, Kans., to the panhandle of Texas, 374.
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- Coal. Indian Creek Valley Ry. mines to various destinations, 32.
- Coal. Southern Indiana and Illinois mines to points on the Mason City & Clear Lake and Inter-Urban Rys. in Iowa, 108.
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- Coal, bituminous. Galewood, Ill., to Morton Grove, Ill., 89.
- Coal, bituminous. Oak Hills, Colo., to Rock Island destinations in Kansas, Nebraska, and Missouri, 505.
- Coal, bituminous. Ohio coal fields to upper Mississippi river crossings, for beyond, 465.
- Coal, bituminous. Terre Haute, Hymera, and Fontanet, Ind., to Terre Cotta, Ill., via Chicago, Ill. 492.
- Coal, run of mine. Fleming and West Mineral, Kans., to Dewey and Bartlesville, Okla. 115.
- Coal, slack. Fleming and West Mineral, Kans., to Dewey and Bartlesville, Okla. 115.
- Coal, soft. *See Bituminous coal.*
- Cocoanuts. Gulf ports to various destinations, 621.
- Coffee, green and roasted. New Orleans, La., to Texas points, 479.
- Coke. Connellsville region to Buffalo, N. Y. 415.
- Coke. East of Illinois-Indiana state line to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill. 84.
- Corn. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Corn, broom. Kansas and Oklahoma points to Pacific coast points, 45.
- Corn huskers. *See Huskers.*

- Cotton. Augusta, Ga., from stations on the Southern Ry. in South Carolina, 704.
- Cotton. Paris, Scranton, and other Arkansas points to Little Rock, Morrillton, and Conway, Ark., for concentration and reshipment, 467.
- Cotton linters. *See* Linters.
- Dairy products. Chicago to southern territory, 349.
- Earthenware. Dunnage allowances, 538.
- Eggs. Chicago to southern territory, 349.
- Excelsior. Dubuque, Iowa, to Chicago and Peoria, Ill., and Missouri River points, 443.
- Farm implements. *See* Implements.
- Feed, mill. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Fencing and material. Anderson, Crawfordsville, Kokomo, Muncie, and Richmond, Ind., to Texarkana, Ark.-Tex. 650.
- Fertilizer. Baltimore, Md., to Kiptopeke, Va. 29.
- Fertilizer. Richmond, Va., switching charges, 552.
- Fiber board boxes. *See* Boxes.
- Fish, fresh. Chicago to southern territory, 349.
- Flour. Oklahoma points to Memphis, Tenn. 93.
- Flour. Shenandoah division of the N. & W. Ry. in Virginia and West Virginia, to points on the Pocahontas & C. V. extension in Virginia and West Virginia, 605.
- Flour. Toledo, Ohio, to north Atlantic ports, 498.
- Flour, in barrels and sacks. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Forest products. Arkansas and other states to Iowa, Minnesota, and other states, 371.
- Forest products. New Orleans, La. Demurrage, 140.
- Forest products. Oreg.-Wash. R. R. & Nav. Co. points via Plummer, Idaho, to points east of Missouri River, 111.
- Forest products, fir. Pacific coast points to Iowa destinations, 343.
- Fruits, dried, in fiber and wood boxes. California terminals to eastern destinations, 117.
- Fruits, fresh. California to points in Nevada, Arizona, and other states, 56.
- Fruits, fresh. Milwaukee, Wis., to and from points on Grand Rapids, Grand Haven & Muskegon Ry., and the Crosby Transportation Co. 653.
- Fruits, tropical. Gulf ports to various destinations, 621.
- Grain. Buffalo, N. Y., to Pittsburgh, Pa. 382.
- Grain. East St. Louis, Ill., and St. Louis, Mo. Reshipping regulations, 700.

- Grain. El Centro, Cal., storage in transit, 431.
- Grain. Milwaukee, Manitowoc, and Kewaunee, Wis., to Boston, Mass., New York, N. Y., Philadelphia, Pa., Baltimore, Md., etc. 357.
- Grain. Montana, North and South Dakota points to Omaha, South Omaha, Nebr., and Council Bluffs, Iowa, 572.
- Grain. Oklahoma points to Memphis, Tenn. 93.
- Grain. St. Louis, Mo., East St. Louis, and Madison, Ill., to eastern trunk line territory, 16.
- Grain. St. Louis, Mo., and East St. Louis, Ill., to Evansville, Ind. Elevation allowances, 696.
- Grain. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Grain. Toledo, Ohio, to north Atlantic ports, 498.
- Grain. Western New York to eastern markets, 437.
- Grain products. Milwaukee, Manitowoc, and Kewaunee, Wis., to Boston, Mass., New York, N. Y., Philadelphia, Pa., Baltimore, Md., and other points, 357.
- Grain products. Oklahoma points to Memphis, Tenn. 93.
- Grain products. St. Louis, Mo., East St. Louis, and Madison, Ill., to eastern trunk line territory, 16.
- Grain products. Shenandoah division of the N. & W. Ry. in Virginia and West Virginia, to points on the P. & C. V. extension in Virginia and West Virginia, 605.
- Grain products. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Grain products. Toledo, Ohio, to north Atlantic ports, 498.
- Grits. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Gypsum tile. *See* Tile.
- Hay. St. Albans, Vt., reconsignment privileges, 562.
- Headings. Columbus, Miss., to Alabama, Florida, Georgia, and Tennessee, 105.
- Hematite iron ore. *See* Ore.
- Hogs, live. Mason City, Iowa. Absorption of switching charges, 98.
- Hominy, in sacks or barrels. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Huskers, corn. Dunnage allowances, 538.
- Ice. Silver Lake, Wis., to Chicago, Ill. 657.
- Implements, agricultural. Dunnage allowances, 538.
- Implements, agricultural. Wichita, Kans., to points in the panhandle of Texas, 374.
- Iron articles. Chicago, Ill., St. Louis, Mo., St. Paul, Minn., and other points, to Des Moines and Sioux City, Iowa, and Sioux Falls, S. Dak., and other points, 337.

- Iron, pig. Birmingham district and points south, to Ohio River crossings, central freight association, and New England territories, 597.
- Iron, pig. Virginia furnaces to New England and Middle States, 615.
- Iron, scrap. St. Paul, Minn., from Omaha, Nebr., Sioux City, Iowa, and Sioux Falls, S. Dak. 377.
- Iron ore, hematite. *See Ore.*
- Lard pails. *See Pails.*
- Leather, raw. Macon, Ga., from Ohio and Mississippi river crossings and Gulf ports, 477.
- Lime. Seattle and Tacoma, Wash., to Portland, Oreg. 135.
- Linters, cotton. Paris, Scranton, and other Arkansas points to Little Rock, Morrillton and Conway, Ark., for concentration and reshipment, 467.
- Logs. Chattanooga, Tenn., from Alabama Great Southern R. R. points, 36.
- Logs. Tennessee, Alabama, Mississippi, Louisiana, Arkansas and C., R. I. & P. Ry. points and Memphis, Tenn., to Little Rock, Ark., and Metropolis, Ill. 40.
- Lumber. Arkansas and other states to Iowa, Minnesota, and other states, 371.
- Lumber. Knoxville, Tenn., from Decatur, Huntsville, and Sheffield, Ala. 524.
- Lumber. Northern California to points south and east, 461.
- Lumber. Oreg.-Wash. R. R. & Nav. Co. points via Plummer, Idaho, to points east of the Missouri River, 111.
- Lumber. Seattle to Ballard and Interbay, Wash., for interchange, 683.
- Lumber. Tennessee, Alabama, Mississippi, Louisiana, Arkansas, and C. R. I. & P. Ry. points, and Memphis, Tenn., to Little Rock, Ark., and Metropolis, Ill. 40.
- Lumber, fir. Pacific coast points to Iowa destinations, 343.
- Malt. Chicago, Ill., and points in Wisconsin and Minnesota, to Texas common points, 385.
- Malt. Minneapolis, Minn., and other points, to New Orleans, La. 587.
- Meal, corn. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Meats, cured. Mason City, Iowa, and Austin and South St. Paul, Minn., to Texas and Arkansas points, 341.
- Meats, fresh. Austin and South St. Paul, Minn., to Chicago, Ill. 98.
- Meats, fresh. Chicago to southern territory, 349.
- Meats, fresh. Mason City, Iowa, and Austin and South St. Paul, Minn., to Texas and Arkansas points, 341.

- Meats, fresh. Mason City, Iowa, to Chicago, Ill. 547.
- Meats, salt. Mason City, Iowa, and Austin and South St. Paul, Minn., to Texas and Arkansas points, 341.
- Mill feed. *See* Feed.
- Molasses, blackstrap. New Orleans, La., to Knoxville, Tenn. 613.
- Oats. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Oats. Toledo, Ohio, to north Atlantic ports, 498.
- Oil, olive. In fiber and wood boxes. California terminals to eastern destinations, 117.
- Oil, petroleum road. Okmulgee, Okla., to St. Louis, Mo., and East St. Louis, Ill. 103.
- Olives. In fiber and wood boxes. California terminals to eastern destinations, 117.
- Onions. Chester, Florida, and other New York points to Duane Street Station, New York, N. Y. 528.
- Onions. Western New York to eastern markets. Car fitting, 437.
- Oranges. Gulf ports to various destinations, 621.
- Ore, hematite iron. Fruitland and Ontario, N. Y., to Emporium, Curtin, Milesburg, Bellefonte, Earlston, Saxton, and Riddlesburg, Pa. 566.
- Packing-house products. Austin and South St. Paul, Minn., to Chicago, Ill. 98.
- Packing-house products. Mason City, Iowa, and Austin and South St. Paul, Minn., to Texas and Arkansas points, 341.
- Packing-house products. Mason City, Iowa, to Chicago, Ill. 547.
- Pails, lard. Dunnage allowances, 538.
- Paper, news print. Sault Ste. Marie, Ont., and the Fox River group, Wis., to destinations in Michigan, Ohio, Pennsylvania, Indiana, Illinois, and Missouri, 403.
- Peanuts. Oklahoma City, Okla., from New Orleans and other Louisiana points, 346.
- Petroleum road oil. *See* Oil.
- Petroleum tailings. *See* Tailings.
- Pianos. Dunnage allowances, 538.
- Pineapples. Gulf ports to various destinations, 621.
- Plaster. Seattle and Tacoma, Wash., to Portland, Oreg. 135.
- Potatoes. Western New York to eastern markets. Car fitting, 437.
- Poultry, dressed. Chicago to southern territory, 349.
- Pulpwood. *See* Wood.
- Rice, clean and brewers'. Memphis, Tenn., to points on and north of the Ohio River, 471.
- Rock, phosphate. Mount Pleasant and Centerville, Tenn., to Shreveport, La. 494.

- Rope, wire. Dunnage allowances, 538.
- Shingles. Port Angeles, Fairmont, and Port Crescent, Wash., to Missouri River points and eastern destinations, 364.
- Shingles. Seattle to Ballard and Interbay, Wash., for interchange, 683.
- Shorts, in sacks. Tampa, Fla., from Mobile, Ala., New Orleans, La., and L. & N. R. R. points, 377.
- Shredders. Dunnage allowances, 538.
- Silo cement staves. *See* Staves.
- Starch. Dunnage allowances, 538.
- Staves. Columbus, Miss., to Alabama, Florida, Georgia, and Tennessee, 105.
- Staves, silo cement. Kansas City, Mo., to points in Kansas, Nebraska, Colorado, and Oklahoma, 19.
- Steel articles. Chicago, Ill., St. Louis, Mo., St. Paul, Minn., and other points, to Des Moines and Sioux City, Iowa, and Sioux Falls, S. Dak., and other points, 337.
- Stone, crushed. Port Deposit, Md., to points in Maryland and Delaware, 22.
- Stone, road. Port Deposit, Md., to points in Maryland and Delaware, 22.
- Stoneware. Dunnage allowances, 538.
- Tailings, petroleum. Okmulgee, Okla., to St. Louis, Mo., and East St. Louis, Ill. 103.
- Tan bark. *See* Bark.
- Thrashers. Dunnage allowances, 538.
- Tile, gypsum. Seattle and Tacoma, Wash., to Portland, Oreg. 135.
- Vegetables. California from points in Nevada, Arizona, and other states, 56.
- Wheat. Oklahoma points to Memphis, Tenn. 93.
- Wines, California. In fiber and wood boxes. California terminals to the east, 117.
- Wire articles. Anderson, Crawfordsville, Kokomo, Muncie, and Richmond, Ind., to Texarkana, Ark.-Tex. 650.
- Wood, pulp. Duluth, Minn., from Minnesota points, 1.
- 30 I. C. C.

TABLE OF LOCALITIES.

- Addison, Va., between Washington, D. C. Passenger fares, 593.
- Alabama to Chattanooga, Tenn. Logs, 36.
- Alabama from Columbus, Miss. Staves and heading, 105.
- Alabama to Knoxville, Tenn. Lumber, 524.
- Alabama to Metropolis, Ill. Lumber and logs, 40.
- Alabama River, points on, from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Albany and other points on navigable rivers in Georgia, from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Allentown, Pa., from New York, N. Y., and Jersey City, N. J., destined to Baltimore, Md. Through routes and joint rates, 396.
- Altoona, Iowa, from Indiana and Illinois mines. Coal, 108.
- Anderson and other Indiana points, to Texarkana, Ark.-Tex. Fencing and fencing material, 650.
- Appalachia group, Va., to points north of the Ohio River. Coal, 635.
- Appleton, Wis., from Duluth, Minn. Pulp wood, 1.
- Arcade, N. Y. Switching charges, 501.
- Arizona from Los Angeles and San Francisco, Cal. Fruits and vegetables, 56.
- Arkansas and other states, to Iowa, Minnesota, and other states. Lumber and other forest products, 371.
- Arkansas to Little Rock, Morrilton, and Conway, Ark., to be concentrated and reshipped to interstate destinations. Cotton and cotton linters, 467.
- Arkansas from Mason City, Iowa, Austin and South St. Paul, Minn. Fresh meats and packing-house products, 341.
- Arkansas to Metropolis, Ill. Lumber and logs, 40.
- Asheville, N. C., from Delrio, Tenn. Tanbark, 385.
- Athens, Ga., and other interior basing points, from eastern cities, Chicago, Ill., St. Louis, Mo., New Orleans, La., and Ohio River crossings. Class and commodity rates, 153.
- Atlanta, Ga., and other interior basing points, from eastern cities, New Orleans, La., St. Louis, Mo., Chicago, Ill., and Ohio River crossings. Class and commodity rates, 153.
- Atlanta, Ga., from Columbus, Miss. Staves and heading, 105.

- Atlantic coast and Pittsburgh, Pa., points between, from St. Louis, Mo., East St. Louis, Ill., and Madison, Ill. Proportional rates on grain and grain products, 16.
- Augusta and other points on navigable rivers in Georgia, from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Augusta, Ga., from South Carolina. Cotton, 704.
- Austin, Minn., to Chicago, Ill. Fresh meats and packing-house products, 98.
- Austin, Minn., to Fort Worth and other Texas points, and Little Rock and other Arkansas points. Fresh meats and packing-house products, 341.
- Bainbridge, Ga., from Columbus, Miss. Staves and heading, 105.
- Ballard, Wash., between Seattle, Wash. Interchange service on lumber and shingles, 683.
- Baltimore, Md. Store-door, pick-up and delivery service, 388.
- Baltimore, Md. Switching charges, 581.
- Baltimore, Md., from Boston, Mass., Providence, R. I., New York, N. Y., and Philadelphia, Pa. Class rates, 388.
- Baltimore, Md., to Kiptopeke, Va. Fertilizer, 29.
- Baltimore, Md., from Low Moor and other Virginia points. Pig iron, 615.
- Baltimore, Md., from Manitowoc, Milwaukee, and Kewaunee, Wis. Break-bulk rates on grain, 357.
- Baltimore, Md., from New York, N. Y., Jersey City and Brills, N. J., and Philadelphia, Pa., via Gettysburg, Pa. Class rates, and through routes and joint rates, 396.
- Bartlesville, Okla., from West Mineral and Fleming, Kans. Slack and run-of-mine coal, 115.
- Batavia, N. Y., to Rockaway, N. J. Potatoes, 437.
- Beatrice, Nebr., from New Orleans, La., Galveston, Tex., and other Gulf ports. Bananas, 510.
- Beaver, Ark., between Seligman, Mo. Passenger fares, 488.
- Beaver Dam, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Bellefonte, Pa., from Fruitland and Ontario, N. Y. Iron ore, 566.
- Benham, Ky., to points north of the Ohio River. Coal, 635.
- Birdsboro district, Pa., to Maryland and Delaware. Crushed stone, 22.
- Birmingham, Ala., and other interior basing points, from Chicago, Ill., St. Louis, Mo., Ohio River crossings, New Orleans, La., and eastern cities. Class and commodity rates, 153.
- Birmingham, Ala., to Chattanooga, Tenn. Logs, 36.

- Birmingham district to Louisville, Ky., St. Louis, Mo., Chicago, Ill., and Boston, Mass. Pig iron, 597.
- Biron, Wis., from Duluth, Minn. Pulp wood, 1.
- Bisbee, Ariz., from San Francisco and Los Angeles, Cal. Fruits and vegetables, 56.
- Black Mountain group, Va., to points north of the Ohio River. Coal, 635.
- Boston, Mass., to Baltimore, Md. Class rates, 388.
- Boston, Mass., from Birmingham district. Pig iron, 597.
- Boston, Mass., from Manitowoc, Milwaukee, and Kewaunee, Wis. Break-bulk rates on grain, 357.
- Boston, Mass., from Low Moor and other Virginia points. Pig iron, 615.
- Boston, Mass., to Washington, D. C. Class rates, 446; 455.
- Bowie, Ariz., from San Francisco and Los Angeles, Cal. Fruits and vegetables, 56.
- Brills, N. J., to Baltimore, Md., via Gettysburg and Allentown, Pa. Class rates, 396.
- Bristol, Va.-Tenn., from Columbus, Miss. Staves and heading, 105.
- British Columbia from Wichita, Kans. Brooms, 45.
- Brokaw, Wis., from Duluth, Minn. Pulp wood, 1.
- Brownsville, Tex., from New Orleans, Harvey, and Port Chalmette, La. Class and commodity rates, 479.
- Brunswick, Ga., from Columbus, Miss. Staves and heading, 105.
- Buffalo and Pittsburgh, points between, from St. Louis, Mo., East St. Louis, and Madison, Ill. Grain and grain products, 16.
- Buffalo, N. Y., to Baltimore, Md. Class rates, 388.
- Buffalo, N. Y., from Connellsville region, Pa. Coke, 415.
- Buffalo, N. Y., to Pittsburgh and other Pennsylvania points. Grain, 382.
- Cairo, Ga., from Columbus, Miss. Staves and heading, 105.
- California between Arizona and Nevada and other states. Fruits and vegetables, 56.
- California to Colorado common points and points east and south of. Lumber, 461.
- California from Wichita, Kans. Brooms, 45.
- California terminals to various eastern destinations. Classification of fiber boxes containing various commodities, 117.
- Canada to St. Albans, Vt., for various destinations. Hay, 562.
- Carolina territory from Washington, D. C. Class rates, 446.
- Cedar Rapids, Iowa, from Chicago, Ill., and St. Louis, Mo. Iron and steel articles, 337.
- Centerville, Md., from Port Deposit district. Crushed stone, 22.
- Centerville, Tenn., to Shreveport, La. Phosphate rock, 494.

- Central freight association territory from Birmingham district. Pig iron, 597.
- Central freight association territory from St. Louis, Mo., and East St. Louis, Ill. Reshipping rates on grain, 700.
- Chattahoochee River points from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Chattanooga, Tenn., from Columbus, Miss. Staves and heading, 105.
- Chattanooga, Tenn., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Chattanooga, Tenn., from Tuscaloosa and other Alabama points. Logs, 36.
- Chester and other New York points to Jersey City, N. J., consigned to New York, N. Y. Onions, 528.
- Chestertown, Md., from Port Deposit district. Crushed stone, 22.
- Chicago, Ill. Switching ice, 657.
- Chicago, Ill., and other points in central freight association territory from Birmingham district. Pig iron, 597.
- Chicago, Ill., from Dubuque, Iowa. Excelsior, 443.
- Chicago, Ill., to eastern Iowa. Iron and steel articles, 337.
- Chicago, Ill., to Gulf ports, Mississippi River, and Jackson and Meridian, Miss. Class and commodity rates, 153.
- Chicago, Ill., from Mason City, Iowa. Fresh meats and packing-house products, 547.
- Chicago, Ill., from Sault Ste. Marie, Ontario. News print paper, 403.
- Chicago, Ill., from Silver Lake, Wis. Ice, 657.
- Chicago, Ill., from South St. Paul and Austin, Minn. Fresh meats and packing-house products, 98.
- Chicago, Ill., to southern territory. Minimum weight of refrigerator car shipments of dairy products, poultry, fish, and fresh meats, 349.
- Chicago, Ill., to Texas common points. Malt, 385.
- Chicago-Cincinnati territory to Texarkana, Ark.-Tex. Fencing and fencing material, 650.
- Cincinnati, Ohio, and other Ohio River crossings to Macon, Ga. Raw leather, 477.
- Cincinnati, Ohio, to south Atlantic ports, Greenville, Vicksburg, and Natchez, Miss., and points on navigable rivers in Georgia, Florida, Alabama, and Tennessee. Class and commodity rates, 153.
- Cincinnati territory to Texarkana, Ark.-Tex. Fencing and fencing material, 650.
- Claiborne, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Clear Lake, Iowa, from Indiana and Illinois mines. Coal, 108.
- Clifton, Ariz., from Los Angeles and San Francisco, Cal. Fruits and vegetables, 56.

- Clinton, Iowa, to Henning, Minn. Passenger fares, 352; 707.
- Cochise, Ariz., from San Francisco and Los Angeles, Cal. Fruits and vegetables, 56.
- Colfax and other Iowa points from Indiana and Illinois mines. Coal, 108.
- Colorado from Kansas City, Mo. Cement silo staves, 19.
- Colorado common points, and points south and east of, from California. Lumber, 461.
- Colorado from Los Angeles and San Francisco, Cal. Fruits and vegetables, 56.
- Columbus and other points on navigable river in Georgia from New Orleans La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Columbus, Ga., from Columbus, Miss. Staves and heading, 105.
- Columbus, Miss., to southeastern territory. Staves and heading, 105.
- Combined Locks, Wis., from Duluth, Minn. Pulp wood, 1.
- Connellsville region, Pa., to Buffalo, N. Y. Coke, 415.
- Conway, Ark. Concentration privilege on cotton and cotton linters, 467.
- Cordele, Ga., and other interior basing points from Chicago, Ill., St. Louis, Mo., eastern cities, Ohio River crossings, and New Orleans, La. Class and commodity rates, 153.
- Council Bluffs, Iowa, from Montana. Grain, 572.
- Courtland, Ariz., from Los Angeles and San Francisco, Cal. Fruits and vegetables, 56.
- Crawfordsville, Ind., to Texarkana, Ark.-Tex. Fencing and fencing material, 650.
- Crisfield, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Curtin, Pa., from Fruitland and Ontario, N. Y. Iron ore, 566.
- Decatur and other points in Alabama to Knoxville, Tenn. Lumber, 524.
- Delaware from Port Deposit, Md. Crushed stone, 22.
- Delrio, Tenn., to Asheville, N. C. Tanbark, 585.
- Demopolis, Ala., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- De Pere, Wis., from Duluth, Minn. Pulp wood, 1.
- Des Moines, Iowa, from Chicago, Ill., and St. Louis, Mo. Iron and steel articles, 337.
- Detroit and other Michigan points from Sault Ste. Marie, Ontario. News print paper, 403.
- Devault district, Pa., to Maryland and Delaware. Crushed stone, 22.
- Dewey, Okla., from West Mineral and Fleming, Kans. Slack and run-of-mine coal, 115.

- Douglas, Ariz., from Los Angeles and San Francisco, Cal. Fruits and vegetables, 56.
- Dublin, Ga., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Dubuque, Iowa, to Chicago and Peoria, Ill., St. Louis, Kansas City, and St. Joseph, Mo., Leavenworth, Kans., and Omaha, Nebr. Excelsior, 443.
- Duluth, Minn., to Wisconsin and Michigan. Pulp wood, 1.
- Earlston, Pa., from Fruitland and Ontario, N. Y. Iron ore, 566.
- East St. Louis, Ill. Elevation allowances, 696.
- East St. Louis, Ill., to central freight association and trunk line territories. Reshipping rates on grain, 700.
- East St. Louis, Ill., to eastern trunk line territory. Grain and grain products, 16.
- East St. Louis, Ill., from Okmulgee, Okla. Petroleum road oil and petroleum tailings, 103.
- Eastern cities to south Atlantic ports, Gulf ports, interior basing points, and points on navigable rivers in Georgia, Florida, Alabama, and Tennessee. Class and commodity rates, 153.
- Eastern territory to Baltimore, Md. Class rates, 388.
- Eastern territory from Meyersdale and Indian Creek districts, Pa. Joint through rates on coal, 32.
- Eastern territory to Washington, D. C. Class rates, 446; 455.
- Eastern trunk line territory from Milwaukee and other Wisconsin points. Break-bulk rates on grain, 357.
- Eastern trunk line territory from St. Louis, Mo.; East St. Louis, and Madison, Ill. Grain and grain products, 16.
- Easton, Md., from Port Deposit district. Crushed stone, 22.
- Eau Claire, Wis., from Duluth, Minn. Pulp wood, 1.
- El Centro, Cal. Storage-in-transit privilege on grain, 431.
- Elko, Nev., from Sacramento, Cal. Fruits and vegetables, 56.
- Elmhurst, Ill., from Pennsylvania, Ohio, and West Virginia mines. Coal, 71.
- El Paso, Tex., from California. Lumber, 461.
- Elwood, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Emery, Iowa, from Indiana and Illinois mines. Coal, 108.
- Emporium, Pa., from Ontario and Fruitland, N. Y. Iron ore, 566.
- Eufaula, Ala., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Evansville, Ind., from St. Louis, Mo., and East St. Louis, Ill. Elevation allowances on grain, 696.
- Fairbank, Ariz., from San Francisco and Los Angeles, Cal. Fruits and vegetables, 56.

- Fairmont, Wash., to Missouri River. Shingles, 364.
- Fargo, Ga., from Columbus, Miss. Staves and heading, 105.
- Federalsburg, Md., from Port Deposit district. Crushed stone, 22.
- Fleming, Kans., to Dewey and Bartlesville, Okla. Slack and run-of-mine coal, 115.
- Flint River (Georgia) points, from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Florida and other points in New York, to Jersey City, N. J., consigned to New York City, Onions, 528.
- Florida from Columbus, Miss. Staves and heading, 105.
- Fond du Lac, Wis., from Duluth, Minn. Pulp wood, 1.
- Fort Dodge, Iowa, from Chicago, Ill., and St. Louis, Mo. Iron and steel articles, 337.
- Fort Worth and other Texas points, from Mason City, Iowa, and Austin and South St. Paul, Minn. Fresh meats and packing-house products, 341.
- Fruitland, N. Y., to Emporium and other points in Pennsylvania. Iron ore, 566.
- Fulton, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Galewood, Ill., to Morton Grove, Ill., from West Virginia mines, and producing points east of Indiana-Illinois state line. Bituminous coal, 89.
- Galveston and other Texas ports, to points east of the Missouri River. Tropical fruits, 621.
- Galveston, Tex., and other gulf ports, to Topeka and other Kansas points, and Lincoln and Beatrice, Nebr. Bananas, 510.
- Georgia from Columbus, Miss. Staves and heading, 105.
- Gettysburg, Pa., from New York, N. Y., and Jersey City, N. J., destined to Baltimore, Md. Through routes and joint rates, 396.
- Glazier, Tex., from Wichita, Kans. Agricultural implements, 374.
- Glen Ellyn, Ill., from points west of Illinois-Indiana state line. Coal and coke, 84.
- Grand Rapids, Wis., from Duluth, Minn. Pulp wood, 1.
- Granger, Iowa, from Indiana and Illinois mines. Coal, 108.
- Green Bay, Wis., from Duluth, Minn. Pulp wood, 1.
- Greenville, Miss., from Ohio River crossings, St. Louis, Mo., and Chicago, Ill. Class and commodity rates, 153.
- Gulf ports from eastern cities, Ohio River crossings; St. Louis, Mo., and Chicago, Ill. Class and commodity rates, 153.
- Gulf ports to Macon, Ga. Raw leather, 477.
- Gulf ports to Topeka and other Kansas points, and Lincoln and Beatrice, Nebr. Bananas, 510.
- Gulf ports to various destinations. Tropical fruits, 621.

- Guthrie, Ariz., from Los Angeles and San Francisco, Cal. Fruits and vegetables, 56.
- Harvey and other Louisiana points, to Brownsville, Tex. Class and commodity rates, 479.
- Havre and other Montana points to Omaha and South Omaha, Nebr., and Council Bluffs, Iowa. Joint rates on grain, 572.
- Hawkinsville, Ga., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Henning, Minn., from Clinton, Iowa. Passenger fares, 352; 707.
- Houston and other Texas points, from Mason City, Iowa, and Austin and South St. Paul, Minn. Fresh meats and packing-house products, 341.
- Houston, Tex., to various destinations. Tropical fruits, 621.
- Hudson, Wis., from Wadena, Minn. Passenger fares, 352.
- Huntsville and other Alabama points, to Knoxville, Tenn. Lumber, 524.
- Hutchinson, Kans., from New Orleans, La. Bananas, 510.
- Hymera, Ind., to Terra Cotta, Ill. Coal, 492.
- Idaho & Washington Northern Ry. points, to eastern destinations. Lumber and other forest products, 111.
- Idaho from Tacoma and Seattle, Wash. Lime and cement, 137.
- Illinois from points east of Illinois-Indiana state line. Coal and coke, 84.
- Illinois from Sault Ste. Marie, Ont. Newsprint paper, 403.
- Illinois mines to Iowa. Coal, 108.
- Illinois-Indiana state line, points east of, from Chicago, Ill. Fresh meats and packing-house products, 98.
- Illinois-Indiana state line, points east of, to Lombard, Glen Ellyn, Wheaton and West Chicago, Ill. Coal and coke, 84.
- Indian Creek district, Pa., to various eastern destinations. Joint through rates, 32.
- Indiana-Illinois state line, territory east of, to Iowa. Iron and steel articles, 337.
- Indiana-Illinois state line, points east of, to Elmhurst, Ill. Coal, 71.
- Indiana-Illinois state line, points east of, to Morton Grove, Ill. Bituminous coal, 89.
- Indiana from Sault Ste. Marie, Ont. News print paper, 403.
- Indiana to Texarkana, Ark.-Tex. Fencing and fencing material, 650.
- Indiana mines to Iowa. Coal, 108.
- Indiana mines to Terra Cotta, Ill., via Chicago, Ill. Coal, 492.
- Interbay, Wash., between Seattle, Wash. Interchange service on lumber and shingles, 683.
- Interior basing points in Georgia, Alabama, and Mississippi, from Ohio River crossings, eastern cities, Chicago, Ill., St. Louis, Mo., and New Orleans, La. Class and commodity rates, 153.

- Iowa from Arkansas and other states. Lumber and other forest products, 371.
- Iowa from Illinois and Indiana mines. Coal, 108.
- Iowa from Mississippi River, Indiana-Illinois state line, points east of, and Chicago, Ill. Iron and steel articles, 337.
- Iowa from Pacific coast. Fir lumber, 343.
- Jackson, Miss., and other interior basing points, from New Orleans, La., Chicago, Ill., St. Louis, Mo., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Jacksonville, Fla., from Columbus, Miss. Staves and heading, 105.
- Jersey City, N. J., to Baltimore, Md., via Gettysburg, Pa. Through routes and joint rates, 396.
- Jersey City, N. J., from New York, consigned to New York City. Onions, 528.
- Kansas from Kansas City, Mo. Cement silo staves, 19.
- Kansas from New Orleans, La., Galveston, Tex., and other Gulf ports. Bananas, 510.
- Kansas from Oak Hills, Colo. Bituminous coal, 505.
- Kansas City, Mo., from Dubuque, Iowa. Excelsior, 443.
- Kansas City, Mo., to Kansas, Nebraska, Colorado, and Oklahoma. Cement silo staves, 19.
- Kaukana, Wis., from Duluth, Minn. Pulp wood, 1.
- Kewaunee and other Wisconsin points to Boston, Mass., New York, N. Y., Philadelphia, Pa., Baltimore, Md., and other points. Break-bulk rates on grain, 357.
- Kimberly, Wis., from Duluth, Minn. Pulp wood, 1.
- Kiptopeke, Va., from Baltimore, Md. Fertilizer, 29.
- Knoxville, Tenn., from Decatur, Huntsville, and Sheffield, Ala., and other points. Lumber, 524.
- Knoxville, Tenn., from New Orleans, La. Blackstrap molasses, 613.
- Kokomo, Ind., to Texarkana, Ark.-Tex. Fencing and fencing material, 650.
- Ladysmith, Wis., from Duluth, Minn. Pulp wood, 1.
- Lake Erie ports to Pittsburgh, Pa. Grain, 382.
- Lake Michigan, between points on the Grand Rapids, Grand Haven & Muskegon Ry. Through routes and joint rates, 653.
- Leavenworth, Kans., from Dubuque, Iowa. Excelsior, 443.
- Leesburg, Fla., from Columbus, Miss. Staves and heading, 105.
- Lincoln, Nebr., from New Orleans, La., Galveston, Tex., and other Gulf ports. Bananas, 510.
- Little Chute, Wis., from Duluth, Minn. Pulp wood, 1.
- Little Rapids, Wis., from Duluth, Minn. Pulp wood, 1.
- Little Rock and other Arkansas points from Mason City, Iowa, and Austin and South St. Paul, Minn. Fresh meats and packing-house products, 341.

- Little Rock, Ark. Concentration privilege on cotton and cotton linters, 467.
- Little Rock, Ark., to Metropolis, Ill. Lumber and logs, 40.
- Live Oak, Fla., from Columbus, Miss. Staves and heading, 105.
- Lombard, Ill., from points east of Illinois-Indiana state line. Coal and coke, 84.
- Los Angeles, Cal., to Arizona, Wyoming, Utah, Montana, and Colorado. Fruits and vegetables, 56.
- Louisiana to Brownsville, Tex. Class and commodity rates, 479.
- Louisiana to Metropolis, Ill. Lumber and logs, 40.
- Louisiana to Oklahoma City, Okla. Peanuts, 346.
- Louisville and other Ohio River crossings from Birmingham district. Pig iron, 597.
- Louisville, Ky., to South Atlantic ports, Greenville, Natchez, and Vicksburg, Miss., and points on navigable rivers in Georgia, Florida, Alabama, and Tennessee. Class and commodity rates, 153.
- Love Point, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Lowell, Mass., from Birmingham district. Pig iron, 497.
- Low Moor and other Virginia points to New England, New York, N. Y., Philadelphia, Pa., and Baltimore, Md. Pig iron, 615.
- Macon, Ga., from Cincinnati, Ohio, and other Ohio River crossings, Mississippi River crossings, and Gulf ports. Raw leather, 477.
- Macon, Ga., from Columbus, Miss. Staves and heading, 105.
- Macon, Ga., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Madison, Ill., to eastern trunk line territory. Grain and grain products, 16.
- Manitowoc and other Wisconsin points to Boston, Mass., New York, N. Y., Philadelphia, Pa., Baltimore, Md., and other points. Break-bulk rates on grain, 357.
- Marine, Ill. Milling-in-transit on shipments of grain from Mississippi River, 16.
- Marinette, Wis., from Duluth, Minn. Pulp wood, 1.
- Marion, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Marion Junction, Ala., to Knoxville, Tenn. Lumber, 524.
- Maryland from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Mason City, Iowa, to Chicago, Ill. Fresh meats and packing-house products, 547.
- Mason City, Iowa, to Fort Worth and other Texas points and Little Rock and other Arkansas points. Fresh meats and packing-house products, 341.

- Mason City, Iowa, to North Dakota and Minnesota. Cement, 426.
- Memphis, Tenn., to Metropolis, Ill. Logs and lumber, 40.
- Memphis, Tenn., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Memphis, Tenn., to Ohio River and points north of. Rice, 471.
- Memphis, Tenn., from Oklahoma. Wheat and grain products, 93.
- Menasha, Wis., from Duluth, Minn. Pulp wood, 1.
- Menominee, Mich., from Duluth, Minn. Pulp wood, 1.
- Meridian, Miss., and other interior basing points from New Orleans, La., Ohio River crossings, Chicago, Ill., St. Louis, Mo., and eastern cities. Class and commodity rates, 153.
- Meridian, Miss., to Knoxville, Tenn. Lumber, 524.
- Merrill, Wis., from Duluth, Minn. Pulpwood, 1.
- Metline Falls, Wash., to eastern destinations. Lumber and other forest products, 111.
- Metropolis, Ill., from Little Rock and other Arkansas points, Paducah, Ky., Memphis and other Tennessee points, and Mississippi and Louisiana. Logs and lumber, 40.
- Michigan from Duluth, Minn. Pulpwood, 1.
- Michigan from Sault Ste. Marie, Ontario. Newsprint paper, 403.
- Middlesboro-Jellico group to points north of the Ohio River. Coal 635.
- Milesburg, Pa., from Fruitland and Ontario, N. Y. Iron ore, 566.
- Milledgeville, Ga., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Milwaukee and other Wisconsin points to Boston, Mass., New York, N. Y., Philadelphia, Pa., Baltimore, Md., and other points. Break-bulk rates on grain, 357.
- Milwaukee, Wis. Transit privilege on malt, 587.
- Milwaukee, Wis., from Lake Michigan ports. Through routes and joint rates on fresh fruit, 653.
- Minneapolis, Minn., and other points to New Orleans, La. Malt, 587.
- Minneapolis, Minn., to South Dakota and North Dakota. Class rates, 663.
- Minnesota. Passenger fares, 352.
- Minnesota. Statistical report of, 1.
- Minnesota from Arkansas and other states. Lumber and other forest products, 371.
- Minnesota to Duluth, destined to Michigan and Wisconsin. Pulpwood, 1.
- Minnesota from Mason City, Iowa. Cement, 436.
- Minnesota to Menominee and Quinnesec, Mich. Pulpwood, 1.
- Minnesota to Texas common points. Malt, 385.

- Minnesota-South Dakota state line, points west of, from St. Paul and Minneapolis, Minn. Class rates, 663.
- Mississippi to Metropolis, Ill. Lumber and logs, 40.
- Mississippi River, and points west of, from New Orleans and Port Chalmette, La., Mobile, Ala., and Pensacola, Fla. Tropical fruits, 621.
- Mississippi River, points east and west of, to Metropolis, Ill. Lumber and logs, 40.
- Mississippi River, lower, from Chicago, Ill., St. Louis, Mo., and Ohio River crossings. Class and commodity rates, 153.
- Mississippi River to Iowa. Iron and steel articles, 337.
- Mississippi River crossings to Macon, Ga. Raw leather, 477.
- Mississippi River crossings to Tampa, Fla. Class and commodity rates, 377.
- Mississippi River crossings, upper, from Ohio coal fields. Coal, 465.
- Mississippi Valley territory from Ohio River crossings, Chicago, Ill., and St. Louis, Mo. Class and commodity rates, 153.
- Missouri from Oak Hills, Colo. Bituminous coal, 505.
- Missouri River from Dubuque, Iowa. Excelsior, 443.
- Missouri River, and points east of, from water-locked points on the Olympic peninsular. Shingles, 364.
- Missouri River, points on and east of, from north Pacific coast. Lumber and other forest products, 111.
- Missouri River, points east of, from Texas ports. Tropical fruits, 621.
- Mobile, Ala., from Columbus, Miss. Staves and heading, 105.
- Mobile, Ala., from eastern cities, Ohio River crossings, St. Louis, Mo., and Chicago, Ill. Class and commodity rates, 153.
- Mobile, Ala., to Knoxville, Tenn. Lumber, 524.
- Mobile, Ala., to Mississippi River and points west of. Tropical fruits, 621.
- Mobile, Ala., from Tampa, Fla. Through routes and joint rates, 377.
- Montana to Omaha and South Omaha, Nebr., and Council Bluffs, Iowa. Joint rates on grain, 572.
- Montana from San Francisco and Los Angeles, Cal. Fruits and vegetables, 56.
- Montana-North Dakota state line, points east of, from St. Paul and Minneapolis, Minn. Class rates, 663.
- Montgomery and other points on navigable rivers in Alabama from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Montgomery, Ala., from Columbus, Miss. Staves and heading, 105.
- Morenci, Ariz., from California. Fruits and vegetables, 56.
- Morilton, Ark. Concentration privilege on cotton and cotton linters, 467.

- Morton Grove, Ill., from West Virginia mines and other points east of Illinois-Indiana state line, reconsigned at Galewood, Ill. Coal, 89.
- Mount Pleasant, Tenn., to Shreveport, La. Phosphate rock, 494.
- Muncie, Ind. Industrial switching, 434.
- Muncie, Ind., to Texarkana, Ark.-Tex. Fencing and fencing material, 650.
- Natchez, Miss., from Ohio River crossings, St. Louis, Mo., and Chicago, Ill. Class and commodity rates, 153.
- Nebraska from Kansas City, Mo. Cement silo staves, 19.
- Nebraska from New Orleans, La., Galveston, Tex., and other Gulf ports. Bananas, 510.
- Nebraska from Oak Hills, Colo. Bituminous coal, 505.
- Neenah, Wis., from Duluth, Minn. Pulp wood, 1.
- Nekoosa, Wis., from Duluth, Minn. Pulp wood, 1.
- Nevada between California. Fruits and vegetables, 56.
- New England from Birmingham district. Pig iron, 597.
- New England from Low Moor and other Virginia points. Pig iron, 615.
- New England to Washington, D. C. Class rates, 446; 455.
- New England territory to Baltimore, Md. Class rates, 388.
- New Orleans and other Louisiana points to Oklahoma City, Okla. Peanuts, 346.
- New Orleans, La. Demurrage charges on forest products for export, 140.
- New Orleans, La., to Brownsville, Tex. Class and commodity rates, 479.
- New Orleans, La., from Columbus, Miss. Staves and heading, 105.
- New Orleans, La., to Knoxville, Tenn. Blackstrap molasses, 613.
- New Orleans, La., from Minneapolis, Minn. Malt, 587.
- New Orleans, La., to Mississippi River and points west of. Tropical fruits, 621.
- New Orleans, La., to South Atlantic ports, points on navigable rivers and interior basing points in Georgia, Florida, Alabama, and Tennessee, and from Ohio River crossings, St. Louis, Mo., and Chicago, Ill. Class and commodity rates, 153.
- New Orleans, La., to Tampa, Fla. Through routes and joint rates, 377.
- New Orleans, La., to Topeka, Hutchinson, and Wichita, Kans., and Lincoln and Beatrice, Nebr. Bananas, 510.
- New York. Car fittings for grain, vegetables, etc., 437.
- New York, N. Y., to Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee. Class and commodity rates, 153.
- New York, N. Y., to Baltimore, Md. Class rates, 388.

- New York, N. Y., to Baltimore, Md., via Gettysburg, Pa. Through routes and joint rates, 396.
- New York, N. Y., from Jersey City, N. J., originating from points in New York. Onions, 528.
- New York, N. Y., from Low Moor and other Virginia points. Pig iron, 615.
- New York, N. Y., from Manitowoc, Milwaukee, and Kewaunee, Wis. Break-bulk rates on grain, 357.
- New York, N. Y., to south Atlantic ports, Gulf ports, interior basing points, and points on navigable rivers in the southeast. Class and commodity rates, 153.
- New York, N. Y. from Toledo, Ohio. Flour and grain, 498.
- New York, N. Y., to Washington, D. C. Class rates, 446, 455.
- Niagara frontier, territory east of, from Manitowoc, Milwaukee, and Kewaunee, Wis. Grain and grain products, 357.
- Nogales, Ariz., from California. Fruits and vegetables, 56.
- North Atlantic ports from Milwaukee and other Wisconsin points. Break-bulk rates on grain, 357.
- North Carolina from South Carolina. Tan bark, 585.
- North Dakota from Mason City, Iowa. Cement, 426.
- North Dakota from Minneapolis and St. Paul, Minn. Class rates, 663.
- North Dakota-Montana state line, points east of, from St. Paul and Minneapolis, Minn. Class rates, 663.
- North Pacific coast to points on and east of the Missouri River. Lumber and other forest products, 111.
- North Pacific coast from Wichita, Kans. Brooms, 45.
- Oak Hills, Colo., to Kansas, Nebraska, and Missouri. Bituminous coal, 505.
- Ocean City, Md., from Fort Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- Ocmulgee River points, from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Oconee River points, from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Oconto Falls, Wis., from Duluth, Minn. Pulp wood, 1.
- Ohio from Sault Ste. Marie, Ont. News-print paper, 403.
- Ohio mines to Elmhurst, Ill. Coal, 71.
- Ohio mines to upper Mississippi River crossings. Coal, 465.
- Ohio River from Memphis, Tenn. Rice, 471.
- Ohio River, points north of, from St. Charles, Black Mountain, Appalachia, and Middlesboro groups, and Benham, Ky. Coal, 635.
- Ohio River crossings from Birmingham district. Pig iron, 597.
- Ohio River crossings to Macon, Ga. Raw leather, 477.

- Ohio River crossings to south Atlantic ports, Gulf ports, Meridian and Jackson, Miss., interior basing points, and points on navigable rivers in the southeast. Class and commodity rates, 153.
- Ohio River crossings to Tampa, Fla. Class and commodity rates, 377.
- Oklahoma from Kansas City, Mo. Cement silo staves, 19.
- Oklahoma to Memphis, Tenn. Wheat and grain products, 93.
- Oklahoma City, Okla., from New Orleans and other Louisiana points. Peanuts, 346.
- Okmulgee, Okla., to St. Louis, Mo., and East St. Louis, Ill. Petroleum road oil and petroleum tailings, 103.
- Olympic peninsular. Terminal rates on shingles, 364.
- Omaha, Nebr., from Dubuque, Iowa. Excelsior, 443.
- Omaha, Nebr., from Montana. Joint rates on grain, 572.
- Omaha, Nebr., to St. Paul, Minn. Scrap iron, 337.
- Ontario, N. Y., to Emporium and other Pennsylvania points. Iron ore, 566.
- Orange, Tex., to various destinations. Tropical fruits, 621.
- Oregon to points on and east of the Missouri River. Lumber and other forest products, 111.
- Oregon from Wichita, Kans. Brooms, 45.
- Oshkosh, Wis., from Duluth, Minn. Pulp wood, 1.
- Pacific coast to Iowa. Fir lumber, 343.
- Pacific coast to various destinations. Classification of fiber boxes, 117.
- Pacific coast terminals from Wichita. Brooms, 45.
- Paducah, Ky., to Metropolis, Ill. Logs, 40.
- Paris and other Arkansas points to Little Rock, Morillon, and Conway, for concentration. Cotton and cotton linters, 467.
- Park Falls, Wis., from Duluth, Minn. Pulp wood, 1.
- Pennsylvania from Buffalo, N. Y. Grain, 382.
- Pennsylvania from Fruitland and Ontario, N. Y. Iron ore, 566.
- Pennsylvania mines to Elmhurst, Ill. Coal, 71.
- Pensacola, Fla., from Columbus, Miss. Staves and heading, 105.
- Pensacola, Fla., from eastern cities, Ohio River crossings, St. Louis, Mo., and Chicago, Ill. Class and commodity rates, 153.
- Pensacola, Fla., to Mississippi River and points west of. Tropical fruits, 621.
- Peoria, Ill., from Dubuque, Iowa. Excelsior, 443.
- Philadelphia, Pa., to Baltimore, Md. Class rates, 388.
- Philadelphia, Pa., to Baltimore, Md., via Gettysburg and Allentown, Pa. Class rates, 396.
- Philadelphia, Pa., from Low Moor and other Virginia points. Pig iron, 615.

- Philadelphia, Pa., from Manitowoc, Milwaukee, and Kewaunee, Wis. Break-bulk rates on grain, 357.
- Philadelphia, Pa., to Washington, D. C. Class rates, 446, 455.
- Phoenix, Ariz., from California. Fruits and vegetables, 56.
- Pierreville and other Canadian points to St. Albans, Vt., for various destinations. Hay, 562.
- Pittsburgh and other points in Pennsylvania from Buffalo, N. Y. Grain, 382.
- Pittsburgh, Pa., from Sault Ste. Marie, Ont. News-print paper, 403.
- Pittsburgh group from Buffalo, N. Y. Grain, 382.
- Plummer, Idaho, to Missouri River, and points east of, from north Pacific coast. Lumber and other forest products, 111.
- Port Angeles, Wash., to Missouri River, and points east of. Shingles, 364.
- Port Arthur, Tex., to various destinations. Tropical fruits, 621.
- Port Bolivar, Tex., to various destinations. Tropical fruits, 621.
- Port Chalmette and other Louisiana points to Brownsville, Tex. Class and commodity rates, 479.
- Port Chalmette, La., to various destinations. Tropical fruits, 621.
- Port Crescent, Wash., to Missouri River and points east of. Shingles, 364.
- Port Deposit, Md., to other points in Maryland and Delaware. Crushed stone, 22.
- Port Edwards, Wis., from Duluth, Minn. Pulpwood, 1.
- Portland, Me., from Birmingham district. Pig iron, 597.
- Portland, Oreg., to eastern destinations. Lumber, 461.
- Portland, Oreg., from Seattle and Tacoma, Wash. Lime and plaster, 135.
- Prescott, Ariz., from California. Fruits and vegetables, 56.
- Providence, R. I., to Baltimore, Md. Class rates, 388.
- Quinnesec, Mich., from Duluth, Minn. Pulpwood, 1.
- Quitman, Ga., from Columbus, Miss. Staves and heading, 105.
- Reno, Nev., between California. Fruits and vegetables, 56.
- Rhineland, Wis., from Duluth, Minn. Pulpwood, 1.
- Richmond, Va. Switching charges, 552.
- Richmond, Va., from New York, N. Y., and Philadelphia, Pa. Class rates, 446.
- Richmond, Ind., to Texarkana, Ark.-Tex. Fencing and fencing material, 650.
- Riddlesburg, Pa., from Fruitland and Ontario, N. Y. Iron ore, 566.
- River Junction, Fla., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Roanoke Va., from and to Virginia and West Virginia. Flour and grain products, 605.

- Rome, Ga., and other interior basing points, from Chicago, Ill., St. Louis, Mo., eastern cities, Ohio River crossings, and New Orleans, La. Class and commodity rates, 153.
- Rome, Ga., from Columbus, Miss. Staves and heading, 105.
- Roseburg, Oreg., from California. Fruits and vegetables, 56.
- Sacramento, Cal., between Nevada, Colorado, and other states, Fruits and vegetables, 56.
- St. Albans, Vt., from Pierrville and other points in Canada. Hay, 562.
- St. Charles group, Va., to points north of the Ohio River. Coal, 635.
- St. Joseph, Mo., from Dubuque, Iowa. Excelsior, 443.
- St. Louis, Mo. Elevation allowances, 696.
- St. Louis, Mo., from Birmingham district. Pig iron, 597.
- St. Louis, Mo., to central freight association and trunk line territories. Reshiping rates on grain, 700.
- St. Louis, Mo., from Dubuque, Iowa. Excelsior, 443.
- St. Louis, Mo., to eastern trunk line territory. Grain and grain products, 16.
- St. Louis, Mo., to points in eastern Iowa. Iron and steel articles, 337.
- St. Louis, Mo., to Gulf ports, Mississippi River points, and interior basing points in the southeast. Class and commodity rates, 153.
- St. Louis, Mo., from Okmulgee, Okla. Petroleum road oil and petroleum tailings, 103.
- St. Louis, Mo., from Sault Ste. Marie, Ont. Newsprint paper, 403.
- St. Paul, Minn., from Omaha, Nebr., Sioux City, Iowa, and Sioux Falls, S. Dak. Scrap iron, 337.
- St. Paul, Minn., to South Dakota and North Dakota. Class rates, 663.
- Salisbury, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- San Antonio and other Texas points from Mason City, Iowa, and Austin and South St. Paul, Minn. Fresh meats and packing-house products, 341.
- San Francisco and other California points to Colorado and points south and east of. Lumber, 461.
- San Francisco, Cal., to Arizona, Colorado, Wyoming, Utah, and Montana. Fruits and vegetables, 56.
- Sault Ste. Marie, Ont., to Michigan, Ohio, Pennsylvania, Indiana, Illinois, and Missouri. Newsprint paper, 403.
- Savannah Ga., from Columbus, Miss. Staves and heading, 105.
- Savannah River points from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Saxton, Pa., from Fruitland and Ontario, N. Y. Iron ore, 566.
- Scranton, Ark., to Little Rock, Morilton, and Conway, Ark., for concentration. Cotton and cotton linters, 467.

- Seattle, Wash., between Ballard and Interbay, Wash. Interchange service on lumber and shingles, 683.
- Seattle, Wash., to Portland and other Oregon points, Washington and Idaho. Lime and cement, 135.
- Seligman, Mo., between Beaver, Ark. Passenger fares, 488.
- Selma, Ala., and other points on navigable rivers in Alabama from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Selma, Ala., to Knoxville, Tenn. Lumber, 524.
- Shawano, Wis., from Duluth, Minn. Pulpwood, 1.
- Sheffield and other Alabama points to Knoxville, Tenn. Lumber, 524.
- Shreveport, La., from Mount Pleasant and Centerville, Tenn. Phosphate rock, 494.
- Silver Lake, Wis., to Chicago, Ill. Ice, 657.
- Sioux City, Iowa, to St. Paul, Minn. Scrap iron, 337.
- Sioux Falls, S. Dak., to St. Paul, Minn. Scrap iron, 337.
- Snow Hill, Md., from Port Deposit, Devault, and Birdsboro districts. Crushed stone, 22.
- South Atlantic ports from Columbus, Miss. Staves and heading, 105.
- South Atlantic ports from eastern cities, New Orleans, La., and Ohio River crossings. Class and commodity rates, 153.
- South Carolina to Augusta, Ga. Cotton, 704.
- South Carolina to North Carolina. Tanbark, 585.
- South Dakota from Minneapolis and St. Paul, Minn. Class rates, 663.
- South Dakota-Minnesota state line, points west of, from St. Paul and Minneapolis, Minn. Class rates, 663.
- South Omaha, Nebr., from Montana. Joint rates on grain, 572.
- South St. Paul, Minn., to Chicago, Ill. Fresh meats and packing-house products, 98.
- South St. Paul, Minn., to Texas and Arkansas. Fresh meats and packing-house products, 341.
- Southeastern territory from Columbus, Miss. Staves and heading, 105.
- Southeastern territory from Ohio River crossings, eastern cities, St. Louis, Mo., Chicago, Ill., and New Orleans, La. Class and commodity rates, 153.
- Southern territory from Chicago, Ill. Minimum weight on refrigerator car shipments, 349.
- Southern territory from Washington, D. C. Class rates, 446.
- Southwestern territory. Dunnage allowances, 538.
- Stamford, Conn., from Low Moor and other Virginia points. Pig iron, 615.
- Stevens Point, Wis., from Duluth, Minn. Pulpwood, 1.

- Tacoma, Wash., to Portland and other Oregon points, Washington and Idaho. Lime and cement, 135.
- Tampa, Fla., from Columbus, Miss. Staves and heading, 105.
- Tampa, Fla., from eastern cities, Ohio River crossings, St. Louis, Mo., and Chicago, Ill. Class and commodity rates, 153.
- Tampa, Fla., from Mobile, Ala., and New Orleans, La. Through routes and joint rates, 377.
- Taunton, Mass., from Milwaukee and other Wisconsin points. Break-bulk rates on grain, 357.
- Tennessee from Columbus, Miss. Staves and heading, 105.
- Tennessee to Metropolis, Ill. Lumber and logs, 40.
- Tennessee River points, from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Terra Cotta, Ill., from Indiana mines. Coal, 492.
- Terre Haute, Ind., to Terra Cotta, Ill. Coal, 492.
- Texarkana, Ark.-Tex., from Anderson and other points in Indiana. Fencing and fencing material, 650.
- Texas from Mason City, Iowa, and Austin and South St. Paul, Minn. Fresh meats and packing-house products, 341.
- Texas City, Tex., to various destinations. Tropical fruits, 621.
- Texas common points from Chicago, Ill., Wisconsin, and Minnesota. Malt, 385.
- Texas panhandle from Wichita, Kans. Agricultural implements, 374.
- Texas ports to various destinations. Tropical fruits, 621.
- Thomasville, Ga., from Columbus, Miss. Staves and heading, 105.
- Toledo, Ohio., to New York, N. Y. Flour and grain, 498.
- Tomahawk, Wis., from Duluth, Minn. Pulpwood, 1.
- Tombigbee River points from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Topeka, Kans., from New Orleans, La., Galveston, Tex., and other Gulf ports. Bananas, 510.
- Trunk line territory from Milwaukee, Manitowoc, and Kewaunee, Wis. Grain and grain products, 357.
- Trunk line territory from St. Louis, Mo., and East St. Louis, Ill. Reshipping rates on grain, 700.
- Tuscaloosa, Ala., from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Utah from California. Fruits and vegetables, 56.
- Valdosta, Ga., from Columbus, Miss. Staves and heading, 105.
- Vicksburg, Miss., from Ohio River crossings, St. Louis, Mo., and Chicago, Ill. Class and commodity rates, 153.
- Virginia furnaces to New England, New York, N. Y., Philadelphia, Pa., and Baltimore, Md. Pig iron, 615.

- Virginia Highlands, Va., between Washington, D. C. Passenger fares, 593.
- Virginia mines to points north of the Ohio River. Coal, 635.
- Virginia to West Virginia and Virginia, via Roanoke, Va. Flour and grain products, 605.
- Wadena, Minn., to Hudson, Wis. Passenger fares, 352.
- Warrior River points, from New Orleans, La., Ohio River crossings, and eastern cities. Class and commodity rates, 153.
- Washington to Missouri River. Shingles, 364.
- Washington from Tacoma and other points in Washington and Idaho. Lime and cement, 135.
- Washington from Wichita, Kans. Brooms, 45.
- Washington, D. C. Store-door delivery service, 455.
- Washington, D. C., between Addison and Virginia Highlands, Va. Passenger fares, 593.
- Washington, D. C., from Boston, Mass., New York, N. Y., and Philadelphia, Pa. Class rates, 455.
- Washington, D. C., to Carolina and southern territories, and from eastern and New England territories, 446; 455.
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Switching charge of \$2.50 by Southern at Chattanooga. Chattanooga Log Rates, 36 (38).

Switching charges on coal from Chicago to Proviso, Ill. Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co. 71 (75).

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Inbound and outbound switching charges on live hogs and packing-house products absorbed at Waterloo and Mason City, Iowa. Hormel & Co. v. C. M. & St. P. Ry. Co. 98 (99).

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The Muncie & Western has no equipment. Switching is performed by the Muncie Belt Line, for which it is reimbursed for the actual cost of maintenance and operation. The Muncie & Western receives allowances from the connecting carriers on in and out bound traffic, which is absorbed by the line haul carriers. In re Muncie & Western R. R. Co. 434 (435).

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Absorption of switching charges at Norfolk and refusal to absorb switching charges at Richmond constitutes undue discrimination. Id. 552 (559).

Cancellation of absorption of switching charges at City Block and Jackson's Wharf stations on what is known as the "block route" in Baltimore, and elimination of industries located on extension of route on Thames Street, found unreasonable. Switching at Baltimore, Md. 581 (584).

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ABSORPTION—Continued.

The act imposes no requirement upon the Commission that in determining a reasonable charge for the interchange movement, it must in some way or other take into its calculations the factor that the charge may be absorbed by a competitor road. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (690).

The rate on grain from East St. Louis to Evansville, in addition to the elevation allowance of one-fourth cent per bushel, bears a switching absorption at East St. Louis of \$3 per car and at Evansville of \$2 per car. *Elevation Allowances at St. Louis and East St. Louis*, 696 (698).

ACT TO REGULATE COMMERCE.

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Carrier should not be required to furnish special refrigerator cars unless the carrier be allowed to protect its revenues by requiring a substantial loading sufficient adequately to utilize its equipment. *Minimum Weight on Fresh Meats and Other Commodities*, 349 (350).

Icing causes additional expense in the nature of extra switching and train delays. *Rates on Bananas from Gulf Ports*, 510 (516).

For loading and unloading and all other special services, carrier may properly make a reasonable charge. *Dunnage Allowances*, 538 (543).

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Commission has no authority to equalize by adjustments the commercial or natural advantages of one community over another. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (55).

Through rates from points east of Illinois-Indiana state line to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill., should be so reduced as to bring them in line with the through rates to Elmhurst, Ill. *Lombard Brick & Tile Co. v. C. & N. W. Ry. Co.* 84 (87).

Adjustment of rates from Columbus, Miss., to points in the southeast on substantially same basis as those from Meridian, Miss., and Decatur, Ala., not found unreasonable or unjustly discriminatory. *Moore Stave Co. v. S. Ry. Co.* 105 (107).

History of, to Atlanta, Ga. *Fourth Section Violations in the Southeast*, 153 (303).

Adjustment of rates from Chicago to Iowa points and how they were adjusted in 1903. *Rates on Iron and Steel Articles*, 337 (338).

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Present adjustment of rates from New Orleans and Memphis to Ohio River crossings is the result of competition between carriers and markets and appears not to have been governed to any considerable extent by relative distances to points of consumption. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (475).

We have repeatedly held that it was no part of our duty to so adjust rates as to enable any industry to do business at a profit, to equalize market conditions, or overcome disadvantages not arising from a violation of the statute. *Page Milling Co. v. N. & W. Ry. Co.* 605 (612).

ADJUSTMENT OF RATES—Continued.

Proposed rate merely cancels a special rate to one destination, and puts blackstrap to Knoxville upon the rate plane governing that commodity in all southeastern territory. Molasses Rates to Knoxville, Tenn., 613 (614).

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Rule 77, Tariff Circular 18-A, cited. Fourth Section Violations in the Southeast, 153 (335); Memphis Freight Bureau v. I. C. R. R. Co. 471 (476); Rates on Tropical Fruits from Gulf Ports, 621 (633).

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Contracts or investments made under an existing rate not to preclude the raising of rates if same were found unreasonably low. Chattanooga Log Rates, 36 (39).

Advance in interstate rates to prevent state commission reducing intrastate rates not justified. Coal Rates to Dewey, Okla., 115 (116).

Appeal to courts for injunction restraining defendants from putting increased rate in effect denied. Wickwire Steel Co. v. N. Y. C. & H. R. R. Co. 415 (416).

Petition to suspend rate denied on the ground that the rate had already gone into effect. *Id.* 415 (416).

With the contention that an issue of discrimination in the sense of preference and prejudice under section 3 of the act can not be considered in a proceeding relating to a rate increased since 1910 we are unable to agree. *Id.* 415 (419).

A new increased rate might eliminate discrimination and yet be condemned for being unreasonably high. The fact, however, that it does eliminate discrimination should be given some weight in determining its propriety. *Id.* 415 (421).

Upon the institution of store-door delivery there was no offsetting increase in rates. Judd & Detweiler, Inc. v. B. & O. R. R. Co. 455 (456).

We can not see the justification for increasing the rates which have so long been established and which are not claimed to be unremunerative simply to remove a discrimination caused by advancing rates at competitive points. Rates on Bananas from Gulf Ports, 510 (520).

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Proposed increased rates, resulting from disagreement between carriers as to divisions, not found to have been justified. Rates on Lumber and Other Forest Products, 371 (372).

Carriers increased rates from Buffalo to Pittsburgh on complaints from shippers at Toledo and Sandusky that same were prejudicial. Grain Rates to Pittsburgh, 382 (383).

To remove violations of section four. California-Colorado Lumber Rates, 461 (462).

ADVANCE IN RATES—Continued.**JUSTIFICATION—Continued.**

Argued that in view of financial condition of respondents, nature of territory served, and tonnage offered for transportation, proposed rates are just and reasonable. *Brownsville, Tex., Class and Commodity Rates*, 479 (484).

Rate per ton-mile on packing-house products is comparatively so low as to give color to defendant's contention that an increase of the rate would more fairly eliminate the element of discrimination than a reduction of the rate on fresh meat. *Decker & Sons v. C. M. & St. P. Ry. Co.* 547 (550).

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Advances Justified. Rates on Grain and Grain Products, 16; Coal Rates from Indiana and Illinois Mines, 108; Rates on Iron and Steel Articles, 337; Break-Bulk Rates on Grain, 357; Wickwire Steel Co. *v. N. Y. C. & H. R. R. Co.* 415; California-Colorado Lumber Rates, 461; Dunnage Allowances, 538; Malt Rates to New Orleans, La., 587; Molasses Rates to Knoxville, Tenn., 613; Rates on Fencing and Fencing Material from Points in Indiana to Texarkana, Ark.-Tex., 650; Elevation Allowances at St. Louis and East St. Louis, 696.

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WHAT CONSTITUTES.

Withdrawal of proportional rates. Rates on Grain and Grain Products, 16.
Increase in minimum weight. Minimum Weight on Fresh Meats and Other Commodities, 349.

It is as much an increase of rate to give less service for the same amount as to charge a greater amount for the same service. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (389); *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (447); *Judd & Detweiler, Inc. v. B. & O. R. R. Co.* 455 (456).

Restriction of movement via certain gateway. California-Colorado Lumber Rates, 461.

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Cancellation of dunnage allowance. Dunnage Allowances, 538 (545).

Withdrawal of elevation allowances. Elevation Allowances at St. Louis and East St. Louis, 696 (699).

ADVANTAGES. See also LOCATION.

Commission has no authority to equalize by rate adjustments the commercial or natural advantages of one community over another. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (55).

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ADVANTAGES—Continued.

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Lines forming routes from Galveston are at a substantial disadvantage in respect to the movement of banana traffic and are entitled to some measure of relief from the long-and-short-haul provision of the fourth section. *Rates on Tropical Fruits from Gulf Ports*, 621 (628).

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Fact that new plant was built upon assurance from carriers that a lower rate would be established, not in and of itself sufficient ground for finding the rate unreasonable. *Meridian Fertilizer Factory v. L. & N. R. R. Co.* 494 (497).

Subsequent to order prescribing certain rates on export and domestic grain and flour, carriers filed petition for supplemental hearing on the question of modification of the order. Upon agreement by parties certain rates submitted for actual trial which are herein prescribed. *Toledo Produce Exchange v. A. A. R. R. Co.* 498 (499).

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To transfer companies to affect store-door delivery. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (389).

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If \$6 is a reasonable allowance to consignor for loading cars at New Orleans, we are not convinced that the allowance of \$10 at Galveston is not excessive. *Rates on Bananas from Gulf Ports*, 510 (523).

Allowance of 3 cents is provided in tariffs for drayage and ferriage in lieu of lighterage. *Onion Rates to New York, N. Y.*, 528 (529).

We think it unsound in principle to encourage car fitting or use of dunnage in order to secure minimum loads, and to approve of the payment of allowances to offset expenses thus incurred. *Dunnage Allowances*, 538 (546).

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Higher rate in effect on fast-freight service, which included collection at point of origin and delivery at destination. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (450); *Judd & Detweiler, Inc., v. B. & O. R. R. Co.* 455 (458).

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ANALOGOUS ARTICLES.

Class-D rating on cement silo staves found unreasonable in so far as it exceeded class-E rating on analogous articles. *Wallingford v. A. T. & S. F. Ry. Co.* 19 (20).

ANY-QUANTITY RATES.

On brooms from Wichita, Kans., to certain states not unreasonable. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45.

It does not follow that an any-quantity rate is, by reason of being such, unreasonable when applied to carload traffic. *Id.* 45 (52).

Dairy products, dressed poultry, fresh fish, and sometimes fresh meat, are usually based on any-quantity rates. *Minimum Weight on Fresh Meats and Other Commodities*, 349.

ARBITRARIES. See also DIFFERENTIALS.

Rates to Florida points from Columbus and Meridian, Miss., and Decatur, Ala., are made by the addition of arbitraries to the Jacksonville rates. *Moore Stave Co. v. S. Ry. Co.* 105 (107).

Through class rates to Tampa from the Ohio and Mississippi Rivers crossings via all-rail routes are made by certain arbitraries over Jacksonville, which are same as local rates. *Tampa Board of Trade v. L. & N. R. R. Co.* 377 (379).

ARKANSAS MILEAGE SCALE.

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AVERAGE DISTANCE. See also DISTANCE.

Average distance and per ton-mile revenue discussed. *Rates on Crushed Stone*, 22 (26).

The bulk of the log movement over line of A. G. S., is from distances which fairly average 200 miles. *Chattanooga Log Rates*, 36 (38).

The average short-line distance from 37 points in Oklahoma on the R. I., and St. L. & S. F., to Memphis is about 555 miles. *Wheat Rates from Oklahoma*, 93 (96).

From points in Iowa and Austin, Minn., to Chicago. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (99).

Buffalo to points in Pittsburgh group, 204 miles. *Grain Rates to Pittsburgh*, 382 (383).

New York, Philadelphia, and Wilmington to Baltimore. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (395).

From the Soo and Cheboygan to various eastern destinations. *Lake Superior Paper Co. Ltd. v. D. S. S. & A. Ry. Co.* 403 (407).

AVERAGE LOADING. See also LOADING.

Pulpwood and saw logs. *Curry & Whyte Co. v. D. & I. R. R. R. Co.* 1 (8).

Logs 45,000 pounds. *Metropolis Commercial Club v. I. C. R. R. Co.* 40 (43).

Iron Ore. *Ontario Iron Ore Co. v. N. Y. C. & H. R. R. R. Co.* 566 (569).

AVERAGE RATES.

Average rates for distances from 300 to 750 miles in southeastern territory over a one-line haul and over a haul of two or more lines compared with all-rail rates from New York to south Atlantic ports. *Fourth Section Violations in the Southeast*, 153 (174).

So long as lower rates are maintained to more distant points on or via the same line the rates to intermediate points should not exceed the average rates over one-line hauls for like distances. *Id.* 153 (253).

AVERAGE REVENUE. *See also* TON PER MILE.

Buffalo to points in Pittsburgh group. Grain Rates to Pittsburgh, 382 (383).

From the Soo and Cheboygan to various eastern destinations. Lake Superior Paper Co. Ltd. v. D. S. S. & A. Ry. Co. 403 (407).

The net operating revenue per mile of road of defendants was shown to be \$982.55 for 1912 and \$1,034.44 for 1913, or less than one-half of the average for lines in the southwest. Brownsville, Tex., Class and Commodity Rates, 479 (484).

AVERAGE WEIGHT. *See also* WEIGHT.

The average weight for brooms and broom corn is 13,242 and 23,776 pounds respectively. Wichita Business Asso. v. A. T. & S. F. Ry. Co. 45 (49).

AXIS OF RATES.

New Orleans is the axis on which the banana rates from other Gulf ports turn. Rates on Bananas from Gulf Ports, 510 (512).

BACK HAUL.

In order to compete in traffic controlled by boat line, carrier back hauled traffic to points where it could have been unloaded and transferred. Seattle Shingle Co. v. C. M. & St. P. Ry. Co. 364 (368).

To obviate the expense of back hauling to San Pedro, public warehouse was built and bonded at El Centro, Cal. Newark Grain Co. v. S. P. Co. 431 (432).

In many instances goods can be shipped from New Orleans to Brownsville and back again to points on the line at a lower charge than if shipped direct. In some instances the back haul is as great as 100 miles. Brownsville, Tex., Class and Commodity Rates, 479 (482).

BASING POINT.

Although Proviso is only three miles from Elmhurst, it is, for rate-basing purposes, regarded as though it were 16 miles away. Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co. 71 (75).

BASIS OF RATES.

Through rates from points east of Illinois-Indiana state line to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill., are made by combination of the rates to and from Chicago. Lombard Brick & Tile Co. v. C. & N. W. Ry. Co. 84 (85).

Rates to Florida points from Columbus and Meridian, Miss., and Decatur, Ala., are made by the addition of arbitraries to the Jacksonville rates. Moore Stave Co. v. S. Ry. Co. 105 (107).

Bituminous coal from the Ohio field to territory west of the Mississippi River is combination on Chicago, Ill., or St. Louis, Mo. Proportional Rates on Coal, 465.

Rates from Indiana coal fields to all points on the line of the Chicago & North Western in Illinois, not affected by competition, are made upon combination of proportional rates to Chicago plus the local rates to destination, the latter based on or approximating the Illinois distance scale. American Coal & Supply Co. v. C. & N. W. Ry. Co. 492 (493).

If Walsenburg rates can be voluntarily applied by the Rock Island from Oak Hills to any point east of Limon there is no good reason why such rates should not be applied to all points involved east of Limon. Coal Rates from Oak Hills, Colo., 505 (509).

On hay to St. Albans, Vt., the lowest combination was made sometimes upon Iberville, Canada, and sometimes upon Norwich, Conn. American Hay Co. v. C. V. Ry. Co. 562 (563).

BASIS OF RATES—Continued.

Grain rates from the west to the southeast have always been made on combination on the Ohio and Mississippi rivers. Elevation Allowances at St. Louis and East St. Louis, 696 (698).

BELT LINE.

It is urged that the belt line, owned jointly by the carriers serving Norfolk and Portsmouth, is in reality but an extension of the terminals of each road and that the switching charge paid it is but their respective contributions to the maintenance of their joint property. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (556).

BETTERMENTS.

Original construction was such that frequent replacement and repairs are necessary, the cost of operation is high and leaves no net earnings. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (489).

BILL OF LADING.

Classification requires that on his bill of lading the shipper certify that the box tendered conforms to the classification rules. *Pridham Co. v. S. P. Co.* 117 (123).

Rules enforced at New Orleans for the assessment against steamship companies of demurrage charges on forest products moving on through export bills of lading not found to unjustly discriminate against shipments moving on local bills of lading for export. *Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co.* 140.

Ten days' free time allowed at New Orleans on forest products moving to port on local bills of lading for export. *Id.* 140 (141).

To obtain through rate with reconsignment privilege, local usage required that complainant write "own billing" on bill of lading. *American Hay Co. v. C. V. Ry. Co.* 562 (563).

Complainant, by its annotation of the shipping instructions, empowered defendant to bill shipments locally. Held, that these shipments were not through shipments, but local shipments, and that correct rate applied. *Id.* 562 (564).

Term "new billing" signified that the car represented by the bill of lading was to be shipped out from St. Albans as if originating at that point. *Id.* 562 (564).

BLANKET RATES.

A blanket rate of \$2.10 on brooms in any quantity from all the territory east of the Rocky Mountains to California terminals. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (46).

Owing to competition at the western termini the rates are blanketed for long distances, while eastbound they increase with the distance. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (138).

Blanket rates covering all stations from Osborne, N. C., to Blaney, S. C., a distance of approximately 80 miles. *Fourth Section Violations in the Southeast*, 153 (167).

Covering territory 50 miles wide between Macon and Columbus, Ga. *Id.* 153 (268).

A blanket covering practically the entire state of Iowa. *Wheeler Lumber Bridge & Supply Co. v. A. T. & S. F. Ry. Co.* 343 (344).

Rate on fir lumber and fir forest products from Pacific coast points to Iowa, made by adding differential to St. Paul rate, not found unreasonable. *Id.* 343 (345).

A blanket covering practically the entire state of Louisiana. *Peanut Rates to Oklahoma City, Okla.* 346 (347).

BLANKET RATES—Continued.

Contention that carriers having blanketed the entire state of Washington west of the Cascade Mountains and applied terminal rates thereto, while denying them to water-locked points constituted unjust discrimination, not sustained. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (365, 369).

BLOCK ROUTE.

Defined. Switching at Baltimore, Md. 581 (582).

BOAT LINES. See also WATER CARRIERS; WATER TRANSPORTATION.

Service between north Atlantic and south Atlantic ports. Fourth Section Violations in the Southeast, 153 (169).

History of steamboats on the Mississippi and Ohio rivers. Id. 153 (226).

History of boat lines on Chattahoochee River to Columbus, Ga. Id. 153 (266).

Cancellation of rates with boat lines permitted where boat lines manipulated manifests and received excessive divisions. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (368).

BONDED DEBT.

Capital stock and bonded debt of the principal companies which the New York Central proposes to consolidate, shown. Proposed Bond Issue by N. Y. C. & H. R. R. Co. 147 (148).

BONDED WAREHOUSE.

At El Centro, Cal., built to obviate expense of back hauling to San Pedro. *Newark Grain Co. v. S. P. Co.* 431 (432).

BONDS.

The New York Central proposes to consolidate with that company the Lake Shore & Michigan Southern, and to refund \$90,578,400 of its Lake Shore collateral 3½ per cent bonds with the consolidated company's 4 per cent mortgage bonds. Proposed Bond Issue by N. Y. C. & H. R. R. Co. 147.

BOTH DIRECTIONS.

Rates from Puget Sound points to points east of Portland upon a scale in some cases twice as high as in the reverse direction not justified. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (139).

BRANCH LINES.

Through rates to points located on branch lines slightly lower than combination of locals. *California-Colorado Lumber Rates*, 461 (463).

Delivery involves not only a branch-line service, but a switch movement of approximately one mile from station to plant. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

Commission has frequently recognized the justification for some additional charge for branch-line hauls. *Page Milling Co. v. N. & W. Ry. Co.* 605 (610).

BREAK-BULK RATES.

In view of the lower earnings by the break-bulk route, carriers should, perhaps, not be required to maintain lower rates via this route than via the car-ferry or all-rail routes. *Break-Bulk Rates on Grain*, 357 (363).

The Crosby Transportation Company performs the "break-bulk-across-Lake-Michigan" service of the Grand Trunk Railway system between Grand Haven and Milwaukee. *Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co.* 653.

BREAKING BULK.

Hay inspected by opening car door without breaking bulk of car's contents. *American Hay Co. v. C. V. Ry. Co.* 562.

BREWERS' RICE.

Described. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (472).

BRIDGE TOLL.

Absorption of switching or bridge tolls at St. Louis and East St. Louis by the I. C. R. R. Co. Rates on Grain and Grain Products, 16 (17).

Washington-Virginia Ry. Co., is required to pay a bridge toll of 5 mills for every passenger carried across the highway bridge. Virginia Highlands Citizens' Asso. v. W.-V. Ry. Co. 593 (596).

BULKHEADS.

Used to divide the car into two bins, one at either end, and a free space from door to door between the bins. New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co. 437 (438).

BURDEN OF PROOF.

Burden of proof on carrier to justify where free store-door delivery eliminated from tariffs. Merchants & Mfrs. Asso. v. B. & O. R. R. Co. 388 (389).

With the contention that an issue of discrimination in the sense of preference and prejudice under section 3 of the act can not be considered in a proceeding relating to a rate increased since 1910 we are unable to agree. Wickwire Steel Co. v. N. Y. C. & H. R. R. Co. 415 (419).

Burden of proof on carrier to justify advance where joint through rates canceled to correct error. Cement Rates from Mason City, 426 (428).

Withdrawal of store-door privilege without change in rates. Advance on carriers to justify. Chamber of Commerce of Washington v. B. & O. R. R. Co. 446 (447).

The statute casts upon the carrier the burden of justifying any increased rates. Coal Rates from Oak Hills, Colo. 505 (508).

Increases in rates were made prior to January 1, 1910, and the burden of proof is upon complainants. Page Milling Co. v. N. & W. Ry. Co. 605 (611).

If it be true that in passing on the reasonableness of an interstate rate, a state-fixed rate has no greater sanctity than a rate fixed by a carrier, it would seem that the presumptions, if there are any, would offset each other, leaving the burden of proof upon the complainant. Trier v. C. St. P. M. & O. Ry. Co. 707 (709).

BURDEN OF TRANSPORTATION.

Rates all-rail and water-and-rail from New York to south Atlantic ports result in some net revenue to the carriers and do not result in an increased burden upon traffic to and from intermediate points. Fourth Section Violations in the Southeast, 153 (177).

CANCELLATION.

Carrier permitted to cancel through rates from points on the O.-W. R. R. & N. Co., to points on or east of the Missouri River via Plummer, Idaho, so as to secure to its lines the longest practicable haul. Lumber Rates from North Pacific Coast Points, 111 (114).

CAR DISTRIBUTION.

The total shipments of each mine, taken for the two-year period prior to January 1, 1913, divided by the number of 10-hour days the mine actually operated during such period furnishes the actual average daily output, and such shall be the basis hereafter. McCaa Coal Co. v. C. & C. Ry. Co. 531 (536).

Based upon the element of physical capacity is wholly unsatisfactory and works injustice. Id. 531 (536).

Under system of car distribution employed, mines owned by same interests as defendant railroad were furnished all the cars required during periods of car shortage and high prices. Id. 531 (536).

CAR FERRIES.

In view of the lower earnings by the break-bulk route, carriers should, perhaps not be required to maintain lower rates via this route than via the car-ferry or all-rail routes. Break-Bulk Rates on Grain, 357 (363).

CAR FITTING.

Cost of coopering at Milwaukee. Break-Bulk Rates on Grain, 357 (361).

Rules and practices of defendants with respect to allowances for car linings, grain doors, and bulkheads for shipments of produce not found unreasonable. New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co. 437.

Cars for banana traffic must be equipped with false floors. Rates on Bananas from Gulf Ports, 510 (517).

Standard cars in good repair will accommodate all ordinary and usual needs of shippers, and if more is demanded, some obligation must attach to the shipper. Dunnage Allowances, 538 (542).

We think it unsound in principle to encourage car fitting or the use of dunnage in order to secure minimum loads, and to approve of the payment of allowances to offset expenses thus incurred. Id. 538 (546).

CAR-MILE EARNINGS.

Car-mile earnings have an important bearing upon the reasonableness of rates. Rates on Crushed Stone, 22 (27).

Coal from Chicago to Elmhurst, Ill. Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co. 71 (78).

Grain from Milwaukee to the east. Break-Bulk Rates on Grain, 357 (358).

We do not find that merely because per-car-mile earnings on complainant's product are higher than average per-car-mile earnings on all traffic of defendant's lines that the rates are unreasonable. Ontario Iron Ore Co. v. N. Y. C. & H. R. R. Co. 566 (569).

Per-car-mile earnings on pig iron from Birmingham to Chicago exceed those from Pittsburgh, although the haul from Birmingham is about one-third longer. Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co. 597 (602).

Car-mile earnings under minimum loadings upon pig iron exceed by 50 per cent the car-mile earnings between the Virginia points and Philadelphia, Baltimore, and New York upon timber, wood pulp, cattle, and soda ash. Low Moor Iron Co. of Virginia v. C. & O. Ry. Co. 615 (620).

On grain from East St. Louis to Evansville. Elevation Allowances at St. Louis and East St. Louis, 696 (698).

CAR MILEAGE.

It is not proper to set up as an item of expense mileage on the car both ways without crediting the mileage earned on cars returned under load. Rates on Bananas from Gulf Ports, 510 (518).

CARETAKER.

When box cars are used for shipments of produce in winter a stove is placed between the bulkheads, and an attendant is necessary. New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co. 437 (439).

CARGO.

Average vessel carries about 100 carloads of bananas, and can be loaded at the rate of 10 cars per hour. Rates on Bananas from Gulf Ports, 510 (517).

CARS.

Trap, Peddler and Station-Order cars defined. Richmond Chamber of Commerce v. S. A. L. Ry. 552 (554).

ABSORPTION—Continued.

The act imposes no requirement upon the Commission that in determining a reasonable charge for the interchange movement, it must in some way or other take into its calculations the factor that the charge may be absorbed by a competitor road. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (690).

The rate on grain from East St. Louis to Evansville, in addition to the elevation allowance of one-fourth cent per bushel, bears a switching absorption at East St. Louis of \$3 per car and at Evansville of \$2 per car. *Elevation Allowances at St. Louis and East St. Louis*, 696 (698).

ACT TO REGULATE COMMERCE.

The act imposes no requirement upon the Commission that in determining a reasonable charge for the interchange movement, it must in some way or other take into its calculations the factor that the charge may be absorbed by a competitor road. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (690).

ADDITIONAL SERVICE.

Carrier should not be required to furnish special refrigerator cars unless the carrier be allowed to protect its revenues by requiring a substantial loading sufficient adequately to utilize its equipment. *Minimum Weight on Fresh Meats and Other Commodities*, 349 (350).

Icing causes additional expense in the nature of extra switching and train delays. *Rates on Bananas from Gulf Ports*, 510 (516).

For loading and unloading and all other special services, carrier may properly make a reasonable charge. *Dunnage Allowances*, 538 (543).

ADJUSTMENT OF DIFFERENTIALS. See DIFFERENTIALS.**ADJUSTMENT OF RATES. See also DISTURBANCE OF ADJUSTMENT.**

Commission has no authority to equalize by adjustments the commercial or natural advantages of one community over another. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (55).

Through rates from points east of Illinois-Indiana state line to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill., should be so reduced as to bring them in line with the through rates to Elmhurst, Ill. *Lombard Brick & Tile Co. v. C. & N. W. Ry. Co.* 84 (87).

Adjustment of rates from Columbus, Miss., to points in the southeast on substantially same basis as those from Meridian, Miss., and Decatur, Ala., not found unreasonable or unjustly discriminatory. *Moore Stave Co. v. S. Ry. Co.* 105 (107).

History of, to Atlanta, Ga. *Fourth Section Violations in the Southeast*, 153 (303).

Adjustment of rates from Chicago to Iowa points and how they were adjusted in 1903. *Rates on Iron and Steel Articles*, 337 (338).

Due to Commission's order in another case. *Morris, Johnson, Brown Mfg. Co. v. I. C. R. R. Co.* 443 (444).

Present adjustment of rates from New Orleans and Memphis to Ohio River crossings is the result of competition between carriers and markets and appears not to have been governed to any considerable extent by relative distances to points of consumption. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (475).

We have repeatedly held that it was no part of our duty to so adjust rates as to enable any industry to do business at a profit, to equalize market conditions, or overcome disadvantages not arising from a violation of the statute. *Page Milling Co. v. N. & W. Ry. Co.* 605 (612).

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ADJUSTMENT OF RATES—Continued.

Proposed rate merely cancels a special rate to one destination, and puts blackstrap to Knoxville upon the rate plane governing that commodity in all southeastern territory. Molasses Rates to Knoxville, Tenn., 613 (614).

ADMINISTRATIVE RULING.

Rule 77, Tariff Circular 18-A, cited. Fourth Section Violations in the Southeast, 153 (335); Memphis Freight Bureau *v.* I. C. R. R. Co. 471 (476); Rates on Tropical Fruits from Gulf Ports, 621 (633).

Conference Ruling No. 395. Cement Rates from Mason City, 426 (429).

ADVANCE IN RATES.**IN GENERAL.**

Contracts or investments made under an existing rate not to preclude the raising of rates if same were found unreasonably low. Chattanooga Log Rates, 36 (39).

Advance in interstate rates to prevent state commission reducing intrastate rates not justified. Coal Rates to Dewey, Okla., 115 (116).

Appeal to courts for injunction restraining defendants from putting increased rate in effect denied. Wickwire Steel Co. *v.* N. Y. C. & H. R. R. Co. 415 (416).

Petition to suspend rate denied on the ground that the rate had already gone into effect. *Id.* 415 (416).

With the contention that an issue of discrimination in the sense of preference and prejudice under section 3 of the act can not be considered in a proceeding relating to a rate increased since 1910 we are unable to agree. *Id.* 415 (419).

A new increased rate might eliminate discrimination and yet be condemned for being unreasonably high. The fact, however, that it does eliminate discrimination should be given some weight in determining its propriety. *Id.* 415 (421).

Upon the institution of store-door delivery there was no offsetting increase in rates. Judd & Detweiler, Inc. *v.* B. & O. R. R. Co. 455 (456).

We can not see the justification for increasing the rates which have so long been established and which are not claimed to be unremunerative simply to remove a discrimination caused by advancing rates at competitive points. Rates on Bananas from Gulf Ports, 510 (520).

Cancellation of North Carolina mileage scale of rates on tanbark from points in South Carolina to North Carolina tanning points and placing it on same rate basis as lumber, not found unreasonable. Rees' Sons *v.* S. Ry. Co. 585 (586).

JUSTIFICATION.

Endeavor to equalize the alleged discrimination against St. Louis not sufficient justification for the increase in rates to Memphis. Wheat Rates from Oklahoma, 93 (97).

Proposed increased rates, resulting from disagreement between carriers as to divisions, not found to have been justified. Rates on Lumber and Other Forest Products, 371 (372).

Carriers increased rates from Buffalo to Pittsburgh on complaints from shippers at Toledo and Sandusky that same were prejudicial. Grain Rates to Pittsburgh, 382 (383).

To remove violations of section four. California-Colorado Lumber Rates, 461 (462).

ADVANCE IN RATES—Continued.**JUSTIFICATION—Continued.**

Argued that in view of financial condition of respondents, nature of territory served, and tonnage offered for transportation, proposed rates are just and reasonable. *Brownsville, Tex., Class and Commodity Rates*, 479 (484).

Rate per ton-mile on packing-house products is comparatively so low as to give color to defendant's contention that an increase of the rate would more fairly eliminate the element of discrimination than a reduction of the rate on fresh meat. *Decker & Sons v. C. M. & St. P. Ry. Co.* 547 (550).

SPECIFIC INSTANCES.

Advances Justified. Rates on Grain and Grain Products, 16; Coal Rates from Indiana and Illinois Mines, 108; Rates on Iron and Steel Articles, 337; Break-Bulk Rates on Grain, 357; Wickwire Steel Co. *v.* N. Y. C. & H. R. R. Co. 415; California-Colorado Lumber Rates, 461; Dunnage Allowances, 538; Malt Rates to New Orleans, La., 587; Molasses Rates to Knoxville, Tenn., 613; Rates on Fencing and Fencing Material from Points in Indiana to Texarkana, Ark.-Tex., 650; Elevation Allowances at St. Louis and East St. Louis, 696.

Advances justified in part. Chattanooga Log Rates, 86; Brownsville, Tex., Class and Commodity Rates, 479; Lumber Rates to Knoxville, Tenn., 524.

Advances not justified. Rates on Crushed Stone, 22; Rates on Fruits and Vegetables, 56; Wheat Rates from Oklahoma, 93; Coal Rates to Dewey, Okla., 115; Rates on Packing-House Products, Fresh Meats, etc., 341; Peanut Rates to Oklahoma City, Okla., 346; Rates on Lumber and Other Forest Products, 371; Grain Rates to Pittsburgh, 382; Malt Rates to Texas Points, 385; Cement Rates from Mason City, 426; Proportional Rates on Coal, 465; Switching at Arcade, N. Y., 501; Coal Rates from Oak Hills, Colo., 505; Rates on Bananas from Gulf Ports, 510; Switching at Baltimore, Md., 581; Augusta Cotton Exchange and Board of Trade *v.* S. Ry. Co. 704.

WHAT CONSTITUTES.

Withdrawal of proportional rates. Rates on Grain and Grain Products, 16. **Increase in minimum weight.** Minimum Weight on Fresh Meats and Other Commodities, 349.

It is as much an increase of rate to give less service for the same amount as to charge a greater amount for the same service. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (389); *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (447); *Judd & Detweller, Inc. v. B. & O. R. R. Co.* 455 (456).

Restriction of movement via certain gateway. California-Colorado Lumber Rates, 461.

Cancellation of switching charges. Switching at Arcade, N. Y., 501 (503).

Cancellation of dunnage allowance. Dunnage Allowances, 538 (545).

Withdrawal of elevation allowances. Elevation Allowances at St. Louis and East St. Louis, 696 (699).

ADVANTAGES. See also LOCATION.

Commission has no authority to equalize by rate adjustments the commercial or natural advantages of one community over another. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (55).

Austin and South St. Paul, Minn., each has natural advantages not possessed by the other, but which on final analysis are practically equalized. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (101).

ADVANTAGES—Continued.

Nature has unusually favored Birmingham by placing at its doors all the raw materials necessary to the manufacture of pig iron. *Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co.* 597 (601).

Of location and proximity to markets should not be disturbed by fixing rates predicated upon cost of production. *Id.* 597 (601).

We have repeatedly held that it was no part of our duty to so adjust rates as to enable any industry to do business at a profit, to equalize market conditions, or to overcome disadvantages not arising from a violation of the statute. *Page Milling Co. v. N. & W. Ry. Co.* 605 (612).

Lines forming routes from Galveston are at a substantial disadvantage in respect to the movement of banana traffic and are entitled to some measure of relief from the long-and-short-haul provision of the fourth section. *Rates on Tropical Fruits from Gulf Ports*, 621 (628).

AGREEMENT.

Fact that new plant was built upon assurance from carriers that a lower rate would be established, not in and of itself sufficient ground for finding the rate unreasonable. *Meridian Fertilizer Factory v. L. & N. R. R. Co.* 494 (497).

Subsequent to order prescribing certain rates on export and domestic grain and flour, carriers filed petition for supplemental hearing on the question of modification of the order. Upon agreement by parties certain rates submitted for actual trial which are herein prescribed. *Toledo Produce Exchange v. A. A. R. R. Co.* 498 (499).

ALLOWANCES.

To transfer companies to affect store-door delivery. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (389).

The Muncie & Western has no equipment. Switching is performed by the Muncie Belt Line for which it is reimbursed for the actual cost of maintenance and operation. The Muncie & Western receives allowances from the connecting carriers on in and out bound traffic, which is absorbed by the line haul carriers. *In re Muncie & Western R. R. Co.* 434 (435).

The Muncie & Western is purely a private facility of the Ball Bros. Glass Mfg. Co., and there is no justification for the allowance to it by the trunk lines of the switching charge. *Id.* 434 (436).

Allowance to shippers of \$2.00 per car for furnishing bulkheads not found unreasonable or to subject shippers to undue disadvantage. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (438).

Shippers are allowed 1,000 pounds per car for linings used in shipments of produce. *Id.* 437 (439).

If \$8 is a reasonable allowance to consignor for loading cars at New Orleans, we are not convinced that the allowance of \$10 at Galveston is not excessive. *Rates on Bananas from Gulf Ports*, 510 (523).

Allowance of 3 cents is provided in tariffs for drayage and ferriage in lieu of lighterage. *Onion Rates to New York, N. Y.*, 528 (529).

We think it unsound in principle to encourage car fitting or use of dunnage in order to secure minimum loads, and to approve of the payment of allowances to offset expenses thus incurred. *Dunnage Allowances*, 538 (546).

ALTERNATIVE RATES.

Higher rate in effect on fast-freight service, which included collection at point of origin and delivery at destination. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (450); *Judd & Detweiler, Inc., v. B. & O. R. R. Co.* 455 (458).

ANALOGOUS ARTICLES.

Class-D rating on cement silo staves found unreasonable in so far as it exceeded class-E rating on analogous articles. *Wallingford v. A. T. & S. F. Ry. Co.* 19 (20).

ANY-QUANTITY RATES.

On brooms from Wichita, Kans., to certain states not unreasonable. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45.

It does not follow that an any-quantity rate is, by reason of being such, unreasonable when applied to carload traffic. *Id.* 45 (52).

Dairy products, dressed poultry, fresh fish, and sometimes fresh meat, are usually based on any-quantity rates. *Minimum Weight on Fresh Meats and Other Commodities*, 349.

ARBITRARIES. See also DIFFERENTIALS.

Rates to Florida points from Columbus and Meridian, Miss., and Decatur, Ala., are made by the addition of arbitraries to the Jacksonville rates. *Moore Stave Co. v. S. Ry. Co.* 105 (107).

Through class rates to Tampa from the Ohio and Mississippi Rivers crossings via all-rail routes are made by certain arbitraries over Jacksonville, which are same as local rates. *Tampa Board of Trade v. L. & N. R. R. Co.* 377 (379).

ARKANSAS MILEAGE SCALE.

Rates from Arkansas points of production to Memphis are somewhat higher than the Arkansas mileage scale. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (474).

AVERAGE DISTANCE. See also DISTANCE.

Average distance and per ton-mile revenue discussed. *Rates on Crushed Stone*, 22 (26).

The bulk of the log movement over line of A. G. S., is from distances which fairly average 200 miles. *Chattanooga Log Rates*, 36 (38).

The average short-line distance from 37 points in Oklahoma on the R. I., and St. L. & S. F., to Memphis is about 555 miles. *Wheat Rates from Oklahoma*, 93 (96).

From points in Iowa and Austin, Minn., to Chicago. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (99).

Buffalo to points in Pittsburgh group, 204 miles. *Grain Rates to Pittsburgh*, 382 (383).

New York, Philadelphia, and Wilmington to Baltimore. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (395).

From the Soo and Cheboygan to various eastern destinations. *Lake Superior Paper Co. Ltd. v. D. S. S. & A. Ry. Co.* 403 (407).

AVERAGE LOADING. See also LOADING.

Pulpwood and saw logs. *Curry & Whyte Co. v. D. & I. R. R. R. Co.* 1 (8).

Logs 45,000 pounds. *Metropolis Commercial Club v. I. C. R. R. Co.* 40 (43).

Iron Ore. *Ontario Iron Ore Co. v. N. Y. C. & H. R. R. R. Co.* 566 (569).

AVERAGE RATES.

Average rates for distances from 300 to 750 miles in southeastern territory over a one-line haul and over a haul of two or more lines compared with all-rail rates from New York to south Atlantic ports. *Fourth Section Violations in the Southeast*, 153 (174).

So long as lower rates are maintained to more distant points on or via the same line the rates to intermediate points should not exceed the average rates over one-line hauls for like distances. *Id.* 153 (253).

AVERAGE REVENUE. *See also* TON PER MILE.

Buffalo to points in Pittsburgh group. Grain Rates to Pittsburgh, 382 (383).

From the Soo and Cheboygan to various eastern destinations. Lake Superior Paper Co. Ltd. v. D. S. S. & A. Ry. Co. 403 (407).

The net operating revenue per mile of road of defendants was shown to be \$982.55 for 1912 and \$1,034.44 for 1913, or less than one-half of the average for lines in the southwest. Brownsville, Tex., Class and Commodity Rates, 479 (484).

AVERAGE WEIGHT. *See also* WEIGHT.

The average weight for brooms and broom corn is 13,242 and 23,776 pounds respectively. Wichita Business Asso. v. A. T. & S. F. Ry. Co. 45 (49).

AXIS OF RATES.

New Orleans is the axis on which the banana rates from other Gulf ports turn. Rates on Bananas from Gulf Ports, 510 (512).

BACK HAUL.

In order to compete in traffic controlled by boat line, carrier back hauled traffic to points where it could have been unloaded and transferred. Seattle Shingle Co. v. C. M. & St. P. Ry. Co. 364 (368).

To obviate the expense of back hauling to San Pedro, public warehouse was built and bonded at El Centro, Cal. Newark Grain Co. v. S. P. Co. 431 (432).

In many instances goods can be shipped from New Orleans to Brownsville and back again to points on the line at a lower charge than if shipped direct. In some instances the back haul is as great as 100 miles. Brownsville, Tex., Class and Commodity Rates, 479 (482).

BASING POINT.

Although Proviso is only three miles from Elmhurst, it is, for rate-basing purposes, regarded as though it were 16 miles away. Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co. 71 (75).

BASIS OF RATES.

Through rates from points east of Illinois-Indiana state line to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill., are made by combination of the rates to and from Chicago. Lombard Brick & Tile Co. v. C. & N. W. Ry. Co. 84 (85).

Rates to Florida points from Columbus and Meridian, Miss., and Decatur, Ala., are made by the addition of arbitraries to the Jacksonville rates. Moore Stave Co. v. S. Ry. Co. 105 (107).

Bituminous coal from the Ohio field to territory west of the Mississippi River is combination on Chicago, Ill., or St. Louis, Mo. Proportional Rates on Coal, 465.

Rates from Indiana coal fields to all points on the line of the Chicago & North Western in Illinois, not affected by competition, are made upon combination of proportional rates to Chicago plus the local rates to destination, the latter based on or approximating the Illinois distance scale. American Coal & Supply Co. v. C. & N. W. Ry. Co. 492 (493).

If Walsenburg rates can be voluntarily applied by the Rock Island from Oak Hills to any point east of Limon there is no good reason why such rates should not be applied to all points involved east of Limon. Coal Rates from Oak Hills, Colo., 505 (509).

On hay to St. Albans, Vt., the lowest combination was made sometimes upon Iberville, Canada, and sometimes upon Norwich, Conn. American Hay Co. v. C. V. Ry. Co. 562 (563).

ANALOGOUS ARTICLES.

Class-D rating on cement silo staves found unreasonable in so far as it exceeded class-E rating on analogous articles. *Wallingford v. A. T. & S. F. Ry. Co.* 19 (20).

ANY-QUANTITY RATES.

On brooms from Wichita, Kans., to certain states not unreasonable. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45.

It does not follow that an any-quantity rate is, by reason of being such, unreasonable when applied to carload traffic. *Id.* 45 (52).

Dairy products, dressed poultry, fresh fish, and sometimes fresh meat, are usually based on any-quantity rates. *Minimum Weight on Fresh Meats and Other Commodities*, 349.

ARBITRARIES. See also DIFFERENTIALS.

Rates to Florida points from Columbus and Meridian, Miss., and Decatur, Ala., are made by the addition of arbitraries to the Jacksonville rates. *Moore Stave Co. v. S. Ry. Co.* 105 (107).

Through class rates to Tampa from the Ohio and Mississippi Rivers crossings via all-rail routes are made by certain arbitraries over Jacksonville, which are same as local rates. *Tampa Board of Trade v. L. & N. R. R. Co.* 377 (379).

ARKANSAS MILEAGE SCALE.

Rates from Arkansas points of production to Memphis are somewhat higher than the Arkansas mileage scale. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (474).

AVERAGE DISTANCE. See also DISTANCE.

Average distance and per ton-mile revenue discussed. *Rates on Crushed Stone*, 22 (26).

The bulk of the log movement over line of A. G. S., is from distances which fairly average 200 miles. *Chattanooga Log Rates*, 36 (38).

The average short-line distance from 37 points in Oklahoma on the R. I., and St. L. & S. F., to Memphis is about 555 miles. *Wheat Rates from Oklahoma*, 93 (96).

From points in Iowa and Austin, Minn., to Chicago. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (99).

Buffalo to points in Pittsburgh group, 204 miles. *Grain Rates to Pittsburgh*, 382 (383).

New York, Philadelphia, and Wilmington to Baltimore. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (395).

From the Soo and Cheboygan to various eastern destinations. *Lake Superior Paper Co. Ltd. v. D. S. S. & A. Ry. Co.* 403 (407).

AVERAGE LOADING. See also LOADING.

Pulpwood and saw logs. *Curry & Whyte Co. v. D. & I. R. R. R. Co.* 1 (8).

Logs 45,000 pounds. *Metropolis Commercial Club v. I. C. R. R. Co.* 40 (43).

Iron Ore. *Ontario Iron Ore Co. v. N. Y. C. & H. R. R. R. Co.* 566 (569).

AVERAGE RATES.

Average rates for distances from 300 to 750 miles in southeastern territory over a one-line haul and over a haul of two or more lines compared with all-rail rates from New York to south Atlantic ports. *Fourth Section Violations in the Southeast*, 153 (174).

So long as lower rates are maintained to more distant points on or via the same line the rates to intermediate points should not exceed the average rates over one-line hauls for like distances. *Id.* 153 (253).

CAR FERRIES.

In view of the lower earnings by the break-bulk route, carriers should, perhaps not be required to maintain lower rates via this route than via the car-ferry or all-rail routes. Break-Bulk Rates on Grain, 357 (363).

CAR FITTING.

Cost of cooping at Milwaukee. Break-Bulk Rates on Grain, 357 (361).

Rules and practices of defendants with respect to allowances for car linings, grain doors, and bulkheads for shipments of produce not found unreasonable. New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co. 437.

Cars for banana traffic must be equipped with false floors. Rates on Bananas from Gulf Ports, 510 (517).

Standard cars in good repair will accommodate all ordinary and usual needs of shippers, and if more is demanded, some obligation must attach to the shipper. Dunnage Allowances, 538 (542).

We think it unsound in principle to encourage car fitting or the use of dunnage in order to secure minimum loads, and to approve of the payment of allowances to offset expenses thus incurred. Id. 538 (546).

CAR-MILE EARNINGS.

Car-mile earnings have an important bearing upon the reasonableness of rates. Rates on Crushed Stone, 22 (27).

Coal from Chicago to Elmhurst, Ill. Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co. 71 (78).

Grain from Milwaukee to the east. Break-Bulk Rates on Grain, 357 (358).

We do not find that merely because per-car-mile earnings on complainant's product are higher than average per-car-mile earnings on all traffic of defendant's lines that the rates are unreasonable. Ontario Iron Ore Co. v. N. Y. C. & H. R. R. Co. 566 (569).

Per-car-mile earnings on pig iron from Birmingham to Chicago exceed those from Pittsburgh, although the haul from Birmingham is about one-third longer. Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co. 597 (602).

Car-mile earnings under minimum loadings upon pig iron exceed by 50 per cent the car-mile earnings between the Virginia points and Philadelphia, Baltimore, and New York upon timber, wood pulp, cattle, and soda ash. Low Moor Iron Co. of Virginia v. C. & O. Ry. Co. 615 (620).

On grain from East St. Louis to Evansville. Elevation Allowances at St. Louis and East St. Louis, 696 (698).

CAR MILEAGE.

It is not proper to set up as an item of expense mileage on the car both ways without crediting the mileage earned on cars returned under load. Rates on Bananas from Gulf Ports, 510 (518).

CARETAKER.

When box cars are used for shipments of produce in winter a stove is placed between the bulkheads, and an attendant is necessary. New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co. 437 (439).

CARGO.

Average vessel carries about 100 carloads of bananas, and can be loaded at the rate of 10 cars per hour. Rates on Bananas from Gulf Ports, 510 (517).

CARS.

Trap, Peddler and Station-Order cars defined. Richmond Chamber of Commerce v. S. A. L. Ry. 552 (554).

BASIS OF RATES—Continued.

Grain rates from the west to the southeast have always been made on combination on the Ohio and Mississippi rivers. Elevation Allowances at St. Louis and East St. Louis, 696 (698).

BELT LINE.

It is urged that the belt line, owned jointly by the carriers serving Norfolk and Portsmouth, is in reality but an extension of the terminals of each road and that the switching charge paid it is but their respective contributions to the maintenance of their joint property. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (556).

BITTERMENTS.

Original construction was such that frequent replacement and repairs are necessary, the cost of operation is high and leaves no net earnings. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (489).

BILL OF LADING.

Classification requires that on his bill of lading the shipper certify that the box tendered conforms to the classification rules. *Pridham Co. v. S. P. Co.* 117 (123).

Rules enforced at New Orleans for the assessment against steamship companies of demurrage charges on forest products moving on through export bills of lading not found to unjustly discriminate against shipments moving on local bills of lading for export. *Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co.* 140.

Ten days' free time allowed at New Orleans on forest products moving to port on local bills of lading for export. *Id.* 140 (141).

To obtain through rate with reconsignment privilege, local usage required that complainant write "own billing" on bill of lading. *American Hay Co. v. C. V. Ry. Co.* 562 (563).

Complainant, by its annotation of the shipping instructions, empowered defendant to bill shipments locally. Held, that these shipments were not through shipments, but local shipments, and that correct rate applied. *Id.* 562 (564).

Term "new billing" signified that the car represented by the bill of lading was to be shipped out from St. Albans as if originating at that point. *Id.* 562 (564).

BLANKET RATES.

A blanket rate of \$2.10 on brooms in any quantity from all the territory east of the Rocky Mountains to California terminals. *Wichita Business Assn. v. A. T. & S. F. Ry. Co.* 45 (46).

Owing to competition at the western terminal the rates are blanketed for long distances, while eastbound they increase with the distance. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (138).

Blanket rates covering all stations from Osborne, N. C., to Blaney, S. C., a distance of approximately 80 miles. *Fourth Section Violations in the Southeast*, 153 (167).

Covering territory 50 miles wide between Macon and Columbus, Ga. *Id.* 153 (268).

A blanket covering practically the entire state of Iowa. *Wheeler Lumber Bridge & Supply Co. v. A. T. & S. F. Ry. Co.* 343 (344).

Rate on fir lumber and fir forest products from Pacific coast points to Iowa, made by adding differential to St. Paul rate, not found unreasonable. *Id.* 343 (345).

A blanket covering practically the entire state of Louisiana. *Peanut Rates to Oklahoma City, Okla.* 346 (347).

BLANKET RATES—Continued.

Contention that carriers having blanketed the entire state of Washington west of the Cascade Mountains and applied terminal rates thereto, while denying them to water-locked points constituted unjust discrimination, not sustained. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (365, 369).

BLOCK ROUTE.

Defined. Switching at Baltimore, Md. 581 (582).

BOAT LINES. See also WATER CARRIERS; WATER TRANSPORTATION.

Service between north Atlantic and south Atlantic ports. Fourth Section Violations in the Southeast, 153 (169).

History of steamboats on the Mississippi and Ohio rivers. *Id.* 153 (226).

History of boat lines on Chattahoochee River to Columbus, Ga. *Id.* 153 (266).

Cancellation of rates with boat lines permitted where boat lines manipulated manifests and received excessive divisions. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (368).

BONDED DEBT.

Capital stock and bonded debt of the principal companies which the New York Central proposes to consolidate, shown. Proposed Bond Issue by N. Y. C. & H. R. R. Co. 147 (148).

BONDED WAREHOUSE.

At El Centro, Cal., built to obviate expense of back hauling to San Pedro. *Newark Grain Co. v. S. P. Co.* 431 (432).

BONDS.

The New York Central proposes to consolidate with that company the Lake Shore & Michigan Southern, and to refund \$90,578,400 of its Lake Shore collateral 3½ per cent bonds with the consolidated company's 4 per cent mortgage bonds. Proposed Bond Issue by N. Y. C. & H. R. R. Co. 147.

BOTH DIRECTIONS.

Rates from Puget Sound points to points east of Portland upon a scale in some cases twice as high as in the reverse direction not justified. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (139).

BRANCH LINES.

Through rates to points located on branch lines slightly lower than combination of locals. California-Colorado Lumber Rates, 461 (463).

Delivery involves not only a branch-line service, but a switch movement of approximately one mile from station to plant. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

Commission has frequently recognized the justification for some additional charge for branch-line hauls. *Page Milling Co. v. N. & W. Ry. Co.* 605 (610).

BREAK-BULK RATES.

In view of the lower earnings by the break-bulk route, carriers should, perhaps, not be required to maintain lower rates via this route than via the car-ferry or all-rail routes. Break-Bulk Rates on Grain, 357 (363).

The Crosby Transportation Company performs the "break-bulk-across-Lake-Michigan" service of the Grand Trunk Railway system between Grand Haven and Milwaukee. *Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co.* 653.

BREAKING BULK.

Hay inspected by opening car door without breaking bulk of car's contents. *American Hay Co. v. C. V. Ry. Co.* 562.

BREWERS' RICE.

Described. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (472).

BRIDGE TOLL.

Absorption of switching or bridge tolls at St. Louis and East St. Louis by the I. C. R. R. Co. Rates on Grain and Grain Products, 16 (17).

Washington-Virginia Ry. Co., is required to pay a bridge toll of 5 mills for every passenger carried across the highway bridge. Virginia Highlands Citizens' Asso. v. W.-V. Ry. Co. 593 (596).

BULKHEADS.

Used to divide the car into two bins, one at either end, and a free space from door to door between the bins. New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co. 437 (438).

BURDEN OF PROOF.

Burden of proof on carrier to justify where free store-door delivery eliminated from tariffs. Merchants & Mfrs. Asso. v. B. & O. R. R. Co. 388 (389).

With the contention that an issue of discrimination in the sense of preference and prejudice under section 3 of the act can not be considered in a proceeding relating to a rate increased since 1910 we are unable to agree. Wickwire Steel Co. v. N. Y. C. & H. R. R. Co. 415 (419).

Burden of proof on carrier to justify advance where joint through rates canceled to correct error. Cement Rates from Mason City, 426 (428).

Withdrawal of store-door privilege without change in rates. Advance on carriers to justify. Chamber of Commerce of Washington v. B. & O. R. R. Co. 446 (447).

The statute casts upon the carrier the burden of justifying any increased rates. Coal Rates from Oak Hills, Colo. 505 (508).

Increases in rates were made prior to January 1, 1910, and the burden of proof is upon complainants. Page Milling Co. v. N. & W. Ry. Co. 605 (611).

If it be true that in passing on the reasonableness of an interstate rate, a state-fixed rate has no greater sanctity than a rate fixed by a carrier, it would seem that the presumptions, if there are any, would offset each other, leaving the burden of proof upon the complainant. Trier v. C. St. P. M. & O. Ry. Co. 707 (709).

BURDEN OF TRANSPORTATION.

Rates all-rail and water-and-rail from New York to south Atlantic ports result in some net revenue to the carriers and do not result in an increased burden upon traffic to and from intermediate points. Fourth Section Violations in the Southeast, 153 (177).

CANCELLATION.

Carrier permitted to cancel through rates from points on the O.-W. R. R. & N. Co., to points on or east of the Missouri River via Plummer, Idaho, so as to secure to its lines the longest practicable haul. Lumber Rates from North Pacific Coast Points, 111 (114).

CAR DISTRIBUTION.

The total shipments of each mine, taken for the two-year period prior to January 1, 1913, divided by the number of 10-hour days the mine actually operated during such period furnishes the actual average daily output, and such shall be the basis hereafter. McCaa Coal Co. v. C. & C. Ry. Co. 531 (536).

Based upon the element of physical capacity is wholly unsatisfactory and works injustice. *Id.* 531 (536).

Under system of car distribution employed, mines owned by same interests as defendant railroad were furnished all the cars required during periods of car shortage and high prices. *Id.* 531 (536).

CAR FERRIES.

In view of the lower earnings by the break-bulk route, carriers should, perhaps not be required to maintain lower rates via this route than via the car-ferry or all-rail routes. Break-Bulk Rates on Grain, 357 (363).

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Cost of cooping at Milwaukee. Break-Bulk Rates on Grain, 357 (361).

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Car-mile earnings have an important bearing upon the reasonableness of rates. Rates on Crushed Stone, 22 (27).

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Per-car-mile earnings on pig iron from Birmingham to Chicago exceed those from Pittsburgh, although the haul from Birmingham is about one-third longer. Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co. 597 (602).

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CARGO.

Average vessel carries about 100 carloads of bananas, and can be loaded at the rate of 10 cars per hour. Rates on Bananas from Gulf Ports, 510 (517).

CARS.

Trap, Peddler and Station-Order cars defined. Richmond Chamber of Commerce v. S. A. L. Ry. 552 (554).

CHICAGO.

There is no single fixed point which can be designated "Chicago". It includes, roughly speaking, a territory about 30 miles long and 15 miles wide, commonly called the Chicago switching district. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (73).

CIRCUITOUS ROUTE.

Carrier should be permitted to withdraw from a circuitous route if it does not obtain reasonable compensation. *Rates on Grain and Grain Products*, 16 (17).

Carriers whose lines exceed the direct lines by 15 per cent or more, authorized to maintain higher rates to intermediate points. *Fourth Section Violations in the Southeast*, 153 (336).

No opinion expressed as to establishment of through route and joint rate between rail and water carrier via circuitous route. *Tampa Board of Trade v. L. & N. R. R. Co.* 377 (381).

Prayer for through route and joint rates from Jersey City and New York to Baltimore over a circuitous route through Gettysburg, Pa., denied in view of the existing routes with joint rates by more direct lines. *Merchants & Mfrs. Asso. v. C. R. R. Co. of N. J.* 396 (401).

At junction points carriers operating circuitous two-line route met rates of short line, but at intermediate points they maintained higher rates. *Cement Rates from Mason City*, 426.

Carriers allowed to continue higher rates to intermediate points than to more distant points where their lines are not less than 15 per cent longer than the short line between the same points. *Rates on Tropical Fruits from Gulf Ports*, 621 (633).

Rates on cocoanuts from Galveston to points on indirect lines intermediate to Kansas City not more than 800 miles from Galveston should not exceed 45 cents per 100 pounds, and amount added for each 25 miles or fraction thereof should not exceed 1½ cents per 100 pounds. *Id.* 621 (634).

CIRCUMSTANCES AND CONDITIONS. *See also* LONG AND SHORT HAUL; PREFERENCES AND PREJUDICES; DISCRIMINATION.

Rates established in one section of the country furnish no reliable standard by which to measure the reasonableness of rates in another section where dissimilar conditions prevail. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (50).

In comparing rates from eastern mills with those from the Soo due allowances should be made for differences in the conditions and circumstances surrounding the transportation. *Lake Superior Paper Co., Ltd. v. D. S. S. & A. Ry. Co.* 403 (412).

Rates have been justified or condemned upon records containing little else than mere rate and distance comparisons; under the condition, however, of a known general similarity of conditions. *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (424).

CLASS AND COMMODITY RATES.

Cancellation of commodity rates from California points to Nevada points, leaving higher class rates in effect, not justified. *Rates on Fruits and Vegetables*, 56 (63).

Increase in classification on fruits and vegetables from points in California to points in Arizona, not justified. *Id.* 56 (70).

Discussed. *Fourth Section Violations in the Southeast*, 153 (332).

CLASS AND COMMODITY RATES—Continued.

Rates from Chicago to Iowa points compared with fifth-class rates in central freight association territory for similar distances. Rates on Iron and Steel Articles, 337 (340).

Cancellation of commodity rate on peanuts from New Orleans and other points in Louisiana to Oklahoma City, Okla., leaving in effect higher class rates, not justified. Peanut Rates to Oklahoma City, Okla. 346.

Commodity rates applicable on shoe sole leather to Atlanta and Macon, Ga., while on leather for manufacture of harness class rates apply. Chamber of Commerce of Macon *v.* C. N. O. & T. P. Ry. Co. 477 (478).

In class and commodity rates from New Orleans to Brownsville the fourth section violations are most flagrant at points close to Brownsville. Brownsville, Tex., Class and Commodity Rates, 479 (482).

So many elements enter into the determination of a commodity rate that it can not be said that it must always bear a fixed relation to the corresponding class rate, even as between competing points. Decker & Sons *v.* C. M. & St. P. Ry. Co. 547 (551).

CLASS RATES.

Class rates, all-rail, water-and-rail, and all-water, from New York City to south Atlantic ports. Fourth Section Violations in the Southeast, 153 (164).

CLASSIFICATION.

Class D rating on cement silo staves found unreasonable in so far as it exceeded Class E rating on analogous articles. Wallingford *v.* A. T. & S. F. Ry. Co. 19 (20).

Ratings on brooms and broom corn in Western, Southern, Official, and Canadian classifications. Wichita Business Asso. *v.* A. T. & S. F. Ry. Co. 45 (50).

Argument frequently advanced against establishment of a uniform classification is that great differences in transportation conditions will always require the establishment and maintenance of commodity rates. Rates on Fruits and Vegetables, 56 (62).

Weight, space, value, risk, etc., must be taken into account to determine the proper classification of fresh fruit and vegetables. *Id.* 56 (61).

Increase in classification on fruits and vegetables from points in California to points in Arizona, not justified. *Id.* 56 (70).

Ratings on articles in fiber board, pulpboard, and double-faced corrugated strawboard boxes. Pridham Co. *v.* S. P. Co. 117 (125).

Rates to Richmond, Va., are governed by southern classification and to Washington, D. C., by official. On many articles, ratings in southern classification are lower than official. Chamber of Commerce of Washington *v.* B. & O. R. R. Co. 446 (452).

COASTWISE TRADE.

Accounts of the coastwise trade for the year 1911 given. Fourth Section Violations in the Southeast, 153 (171).

COMBINATION RATES. See also THROUGH RATES; THROUGH ROUTES.

Through rates from points east of Illinois-Indiana state line to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill., are made by combination of the rates to and from Chicago. Lombard Brick & Tile Co. *v.* C. & N. W. Ry. Co. 84 (85).

Through rates from points east of Illinois-Indiana state line to Morton Grove, Ill., are made by combination of rates to and from Chicago. Poehlman Bros. Co. *v.* C. M. & St. P. Ry. Co. 89 (90).

COMBINATION RATES—Continued.

It would not necessarily follow that discrimination would be due to unlawfulness in rates to Washington because aggregate of intermediate rates from eastern points to the south based on Washington are greater than when based on Baltimore or Richmond. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (451).

While the combinations on the twin cities of rates via the all-rail routes from New York, Pittsburgh, and other eastern points exceed the combinations all-rail via Chicago, the combinations on the twin cities via the lake-and-rail routes are in all cases less than on Chicago. *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663 (670).

Grain rates from the west to the southeast have always been made on combination on the Ohio and Mississippi rivers. *Elevation Allowances at St. Louis and East St. Louis*, 696 (698).

COMMERCIAL ADVANTAGES. *See* **ADVANTAGES.**

COMMODITY RATES. *See also* **CLASS AND COMMODITY RATES.**

Commodity rates from California to Arizona points established after the order of suspension which are on the basis of, or lower than, the class rates in effect at time of filing of suspended schedule, permitted to remain. *Rates on Fruits and Vegetables*, 56 (70).

Defendant's rule limiting the application of commodity rates to articles shipped in boxes made entirely of wood or wood and metal found unreasonable and unjustly discriminatory. *Pridham Co. v. S. P. Co.* 117 (122).

Rates applied by regular steamer lines from New York City to various south Atlantic ports, together with the current water-and-rail and all-rail rates applicable on the same commodities, shown. *Fourth Section Violations in the Southeast*, 153 (167).

Commodity rates on shoe sole leather from Ohio and Mississippi river crossings and Gulf ports to Atlanta, Ga., established to enable manufacturers to meet competition with factories at St. Louis, Mo., and Lynchburg, Va. *Chamber of Commerce of Macon v. C. N. O. & T. P. Ry. Co.* 477.

Commodity rate on lumber and shingles of 3 cents per 100 pounds applicable from Ballard to Seattle is not unreasonable in so far as it results in charges of \$10.50 per car as a maximum. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (695).

COMMON CONTROL.

Present switching arrangement at Arcade, N. Y., was allowed only under the duress of a common interest controlling the two roads. *Switching at Arcade, N. Y.* 501 (503).

COMMON UNDERSTANDING.

Term "new billing" signified that the car represented by the bill of lading was to be shipped out from St. Albans as if originating at that point. *American Hay Co. v. C. V. Ry. Co.* 562 (564).

COMMUTATION FARES.

Commutation fares between Washington and Addison and Virginia Highlands, Va., found to result in undue discrimination as compared with other points on same division. *Virginia Highlands Citizens' Asso. v. W.-V. Ry. Co.* 593 (596).

COMPANY MATERIAL.

Assumption of a full 100 per cent return movement of empty cars, notwithstanding fact that certain proportion of these cars returned loaded with company material, unduly swells the cost of this traffic. *Coal Rates from Virginia Mines*, 635 (646).

COMPARATIVE RATES.

Saw-log rates held in this instance not to afford a fair test of the reasonableness of pulpwood rates. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1 (12).

Earnings per car on logs compared with brick and other low-rated commodities. *Chattanooga Log Rates*, 36 (38).

Rates on brooms and broom corn compared. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (50).

Establishment of joint rates on terminal basis from water-locked points on salmon while denying same to shingles not found to constitute unjust discrimination. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (370).

While it may be true that malt rates may be scaled higher than barley rates, or even upon the same differential as flour over wheat rates, it does not necessarily follow that malt should take the same rate as flour. *Malt Rates to Texas Points*, 385 (386).

Barley, being a whole grain, is more properly rated with corn and oats than with corn chops. *Id.* 385 (386).

Nothing in record to warrant rate on malt approximately as high as on flour. *Id.* 385 (387).

Shoe sole leather compared with leather used in manufacture of harness. *Chamber of Commerce of Macon v. C. N. O. & T. P. Ry. Co.* 477 (478).

Rates on roasted coffee should not exceed that on green coffee by more than 5 cents per 100 pounds. *Brownsville, Tex., Class and Commodity Rates*, 479 (487).

Fresh meat compared with packing-house products. *Decker & Sons v. C. M. & St. P. Ry. Co.* 547 (548).

Blackstrap should take same rate as all other grades of molasses. *Molasses Rates to Knoxville, Tenn.*, 613 (614).

Car-mile earnings under minimum loadings upon pig iron exceed by 50 per cent the car-mile earnings between the Virginia points and Philadelphia, Baltimore, and New York upon timber, wood pulp, cattle, and soda ash. *Low Moor Iron Co. of Virginia v. C. & O. Ry. Co.* 615 (620).

COMPELLED RATE.

Proportional rate on grain from St. Louis and East St. Louis to Evansville. *Elevation Allowances at St. Louis and East St. Louis*, 696 (699).

COMPETITION.**IN GENERAL.**

The level of rates from the Ohio River cities to Augusta, Ga., is but little lower than the actual competition has necessitated. *Fourth Section Violations in the Southeast*, 153 (289).

Present level of rates from Ohio River cities to Columbus, Ga., has been brought about by combined influence of water, market, and rail competition. *Id.* 153 (290).

Rates from Ohio River crossings to Montgomery and Selma, Ala., have been depressed through combined influence of water, rail, and market competition. *Id.* 153 (291).

COMPETITION—Continued.**IN GENERAL—Continued.**

The fundamental reason for granting relief to any line at a given point is the meeting at that point of the competition of other carriers, against which competition the petitioner is at a disadvantage. *Id.* 153 (304).

Present adjustment of rates from New Orleans and Memphis to Ohio River crossings is the result of competition between carriers and markets and appears not to have been governed to any considerable extent by relative distances to points of consumption. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (475).

Rates from Indiana coal fields to C. & N. W. points in Illinois, not affected by competition, are made upon combination of proportional rates to Chicago plus the local rates to destination. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

To points on and west of the line of the K. C. S. R. R. the direct lines from Galveston are at no disadvantage in competing with lines from New Orleans and should not be permitted to charge higher rates to intermediate points. *Rates on Tropical Fruits from Gulf Ports*, 621 (630).

CROSS-COUNTRY.

Low rates from Judith Basin territory in Montana to Minneapolis and Duluth due to cross-country competition. *Omaha Grain Exchange v. N. P. Ry. Co.* 572 (578).

MARKET.

Competition of broom manufacturers in the Pacific coast markets, discussed. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (48).

Oklahoma millers compete in the southeast through the Memphis gateway with millers from Iowa, Kansas, Missouri, Nebraska, and other states. *Wheat Rates from Oklahoma*, 93 (96).

Between Austin and South St. Paul, Minn., for the Chicago meat market. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (101).

The refineries at Okmulgee, Okla., compete actively with refineries at Vinita, Okla. *American Refining Co. v. St. L. & S. F. R. R. Co.* 103.

Pensacola and Mobile are important Mexican Gulf ports competing with each other for export, import, and coastwise trade. *Fourth Section Violations in the Southeast*, 153 (233).

Augusta is in competition for trade with Charleston, Savannah, Columbia, Macon, and Atlanta. *Id.* 153 (261).

Albany, Ga., is in competition with Americus, Cordele, Dawson, and Columbus, Ga., and Eufaula, Ala., as distributing centers. *Id.* 153 (269).

Reducing rates to enable Augusta to distribute in competition with Atlanta and refusing to reduce the rates to other intermediate points constitutes undue preference in favor of Augusta and undue discrimination against intermediate points. *Id.* 153 (277).

Competition of carriers serving other markets of supply does constitute a justification in some instances for making lower rates to more distant points. *Id.* 153 (279).

A great portion of the grain coming through Milwaukee for forwarding via break-bulk route originates in territory in which Chicago competes with Milwaukee as a market. *Break-Bulk Rates on Grain*, 357 (360).

Buffalo and Chicago for grain to Pittsburgh and points in Pittsburgh group. *Grain Rates to Pittsburgh*, 382 (383).

COMPETITION—Continued.**MARKET—Continued.**

In the sale of news print paper competition is keen, and the freight rate is a factor of vital importance. *Lake Superior Paper Co., Ltd., v. D. S. S. & A. Ry. Co.* 403 (406).

Dubuque and St. Paul on shipments of excelsior. *Morris, Johnson, Brown Mfg. Co. v. I. C. R. R. Co.* 443.

Commodity rates on shoe sole leather from Ohio and Mississippi river crossings and Gulf ports to Atlanta, Ga., established to enable manufacturers to meet competition of factories at St. Louis, Mo., and Lynchburg, Va. *Chamber of Commerce of Macon v. C. N. O. & T. P. Ry. Co.* 477.

Oak Hills coal and Walsenburg coal are competitive in territory parallel with the Rock Island. *Coal Rates from Oak Hills, Colo.*, 505 (509).

We can not see the justification for increasing the rates which have so long been established and which are not claimed to be unremunerative simply to remove a discrimination caused by advancing rates at competitive points. *Rates on Bananas from Gulf Ports*, 510 (520).

Rates on fresh meat and packing-house products from Mason City, Iowa, to Chicago not found unreasonable as compared with rates from competing points. *Decker & Sons v. C. M. & St. P. Ry. Co.* 547 (549).

To a certain extent carriers are justified in placing competitive markets upon an equal basis. *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663 (672).

PORTS OF ENTRY.

Rates from Galveston to Kansas City and other Missouri River points, which are lower than to intermediate points have been reduced to meet competition of bananas imported through New Orleans. *Rates on Tropical Fruits from Gulf Ports*, 621 (628).

POTENTIAL.

May justify lower rates to Pensacola than to intermediate points, but the scale applied is not necessitated by the actual competition existing. *Fourth Section Violations in the Southeast*, 153 (185).

Between points on the Ohio, Mississippi, and Missouri rivers and New Orleans. *Id.* 153 (230).

Between New York and Memphis is potential but not actual. *Id.* 153 (263).

RAIL AND WATER.

Present level of rates from New Orleans to Columbus, Ga., not necessitated by competition of eastern carriers or by water competition. *Fourth Section Violations in the Southeast*, 153 (280).

Rates established by respondents between New Orleans and Brownsville soon after the St. Louis, Brownsville & Mexico Railway entered Brownsville were substantially the same as those maintained via the steamship and its rail connections, but higher than those charged by schooners. *Brownsville, Tex., Class and Commodity Rates*, 479 (483).

Rates on phosphate rock from Mount Pleasant and Centerville, Tenn., to New Orleans were established to meet rates from Florida points to New Orleans via rail and water. *Meridian Fertilizer Factory v. L. & N. R. R. Co.* 494 (495).

RAILROAD.

Owing to competition at the western termini the rates are blanketed for long distances, while eastbound they increase with the distance. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (138).

Between northern and southern lines. *Fourth Section Violations in the Southeast*, 153 (156).

COMPETITION—Continued.**RAILROAD—Continued.**

Depression in rates at Barnwell, S. C., due to competition with the Atlantic Coast Line Ry. Id. 153 (165).

Southern railways are not in position to compete on equal terms with the railroads north of the Ohio River through central freight and trunk line territories. Id. 153 (208).

Rates and facilities of the rail lines have eventually attracted nearly all the long-distance traffic between Ohio River, upper Mississippi River, and Missouri River points and New Orleans. Id. 153 (230).

Fact that carrier has entered into joint rates with lines for traffic from local points destined to non-competitive points in order to compete for long haul, does not present a situation similar to that obtaining at water-locked points where there is no competition between rail lines. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (369).

Steamship service between Galveston and Point Isabel, Tex., was abandoned in 1906, due in part to rail competition and in part to unfavorable conditions of harbor at Point Isabel. *Brownsville, Tex., Class and Commodity Rates*, 479 (483).

If it be true that absorption must be governed entirely by competitive influences, it may well be argued that only that competition which is compelling should be recognized. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (558).

At Richmond most of the competition experienced by the southern lines is with each other. Id. 552 (558).

Competition at Duluth compels establishment to that point of Minneapolis rate from points in Montana, North Dakota, and South Dakota. *Omaha Grain Exchange v. N. P. Ry. Co.* 572 (579).

Rate on flour and grain products from Columbus, Ohio to Virginia cities result of trunk-line competition. *Page Milling Co. v. N. & W. Ry. Co.* 605 (607).

To the territory east of the Kansas City Southern Railroad the distance from Galveston is greater than from New Orleans, and carriers should be permitted to carry lower rates to points in this territory than to intermediate points in order to meet competition of lines from New Orleans. *Rates on Tropical Fruits from Gulf ports*, 621 (630).

The act imposes no requirement upon the Commission that in determining a reasonable charge for the interchange movement, it must in some way or other take into its calculations the factor that the charge may be absorbed by a competitor road. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (690).

WATER.

Competition in the broom market on the Pacific coast from the east. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (51).

On traffic to and from south Atlantic ports the regular steamship lines must compete with tramp steamers, lumber steamers, sailing vessels, etc. *Fourth Section Violations in the Southeast*, 153 (170).

Steamships plying between north Atlantic and south Atlantic ports carry freight at rates far below those of rail lines and have the effect of depressing the rates not only between ports but between stations in eastern trunk-line territory and the south Atlantic coast. Id. 153 (171).

All-rail and water-and-rail rates made to Mobile and New Orleans are necessitated by the water competition existing between eastern ports and these points. Id. 153 (185).

COMPETITION—Continued.

WATER—Continued.

Low rates from New Orleans to Charleston, Savannah, Brunswick, Jacksonville, and Tampa are necessitated by direct water competition. Id. 153 (193).

Rates from Ohio River crossings to south Atlantic ports are induced by an active, present, compelling competition. Id. 153 (207).

History of the growth and decline of boat service on the Ohio and Mississippi rivers. Id. 153 (226).

Rates from Ohio River crossings, St. Louis, and Chicago, to Gulf ports, when established by rail lines in 1887 and since maintained, were necessitated by an active compelling water competition. Id. 153 (230).

Rates from Ohio River crossings, St. Louis, and Chicago, to Memphis, Tenn., Greenville, Vicksburg, and Natchez, Miss., are necessitated by competition afforded by the Mississippi River. Id. 153 (251).

Present low level of rates from New York to Augusta is the result, in the main, of water competition. Id. 153 (261).

Present level of rates between eastern cities and Macon are not necessitated by actual water competition. Id. 153 (266).

Present level of rates from eastern cities to Columbus, Ga., is not necessitated by actual water competition. Id. 153 (268).

No traffic moves from New York to Albany, Ga., by water. Id. 153 (269).

The level of rates from New York to Montgomery, Selma, Demopolis, and Tuscaloosa, Ala., is necessitated by water competition. Id. 153 (270).

Carriers serving western markets depress the rates to Augusta in order to meet the rates from eastern cities influenced by water competition. Id. 153 (277).

Present level of rates from New Orleans to Montgomery and Selma, Ala., not brought about by water competition. Id. 153 (281).

Fifty per cent of the salmon traffic from water-locked points on the Olympic peninsula to the east moves by water. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (370).

Parity of rates on grain and products to Jacksonville and Tampa affected by. *Tampa Board of Trade v. L. & N. R. R. Co.* 377 (379).

Store-door delivery established by carriers to meet competition of water lines. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (391).

Points offered for comparison affected by varying degrees of. Id. 388 (395).

Rates to Richmond are affected by water competition, but the same is true of the rates to Washington. No justification for lower rates to Richmond than to Washington. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (453).

Rates from New Orleans to Ohio River crossings and St. Louis were made to meet competition of water carriers. *Memphis Freight Bureau v. I. O. R. R. Co.* 471 (472).

As effective from Memphis as from New Orleans to Ohio River crossings. Id. 471 (474).

Fourth-section violations both as to points of origin and points of destination would seem to be due to the fact that the rates from New Orleans, Harvey, and Port Chalmette to Brownsville, were originally established to meet water competition. *Brownsville, Tex., Class and Commodity Rates*, 479 (482).

At present no active water competition exists from New Orleans to Brownsville via Point Isabel, and there is no prospect of its reestablishment in the near future. Id. 479 (484).

COMPETITION—Continued.**WATER—Continued.**

Rate from Chicago to Milwaukee is governed largely by lake competition and is, therefore, not properly comparable with a rate to an interior point. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

COMPETITIVE TRAFFIC.

Raw leather not competitive with shoes and harness. *Chamber of Commerce of Macon v. C. N. O. & T. P. Ry. Co.* 477 (478).

COMPRESSION.

It is manifestly economical from a transportation standpoint to have compression as near the origin of shipment as possible; but in determining the propriety of the practice the railroad may not deal with it irrespective of its effect upon the transportation of cotton. Rates on Cotton and Cotton Linters, 467 (469).

Cotton at Augusta, Ga. *Augusta Cotton Exchange & Board of Trade v. S. Ry. Co.* 704 (705).

CONCENTRATION.

Broom corn at Wichita, Kans. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (51).

Withdrawal of concentration privilege at Little Rock, Conway, and Morrilton, Ark., on cotton from points on the Arkansas Central R. R. and the restriction in that respect of shippers to Fort and Van Buren, Ark., found not to have been justified. Rates on Cotton and Cotton Linters, 467 (470).

Cotton is shipped in on the local rate under a concentration privilege, compressed at Augusta and shipped out on the basis of the through rate. *Augusta Cotton Exchange & Board of Trade v. S. Ry. Co.* 704 (705).

CONFISCATORY RATES.

A rate or fare that is merely nonconfiscatory may fall short of one which is entirely just and reasonable. *Trier v. C. St. P. M. & O. Ry. Co.* 352 (355).

CONGESTION.

Baltimore terminals due to withdrawal of store-door delivery. *Merchants & Mfrs. Asso. v. C. R. R. Co. of N. J.* 396 (399).

Store-door delivery first inaugurated to relieve congested condition of station. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (448); *Judd & Detweiler, Inc. v. B. & O. R. R. Co.* 455 (456).

Fact that stations are congested no justification for imposition of unreasonable charges. *Switching at Baltimore, Md.*, 581 (583).

CONSOLIDATION.

The New York Central proposes to consolidate with that company the Lake Shore & Michigan Southern, and to refund \$90,578,400 of its Lake Shore collateral 3½ per cent bonds with the consolidated company's 4 per cent mortgage bonds. *Proposed Bond Issue by N. Y. C. & H. R. R. R. Co.*, 147.

CONSTRUCTIVE MILEAGE.

The distance from New York City to Norfolk via the steamer lines is assumed by the carriers for the purpose of division of rates to be the equivalent of 160 miles of rail haul. *Fourth Section Violations in the Southeast*, 153 (163).

Distance from New York City to Charleston, Savannah, or Brunswick by water, is assumed by carriers for purpose of effecting divisions of rates to be equivalent of 250 miles of rail haul. *Id.* 153 (178).

CONSUMER.

Neither the shipper nor the carrier can insist upon a wasteful or expensive service for which the consumer must ultimately pay. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (441).

CONTAINER.

Some restrictions should be placed upon the insecure wooden container. *Pridham Co. v. S. P. Co.* 117 (123).

CONTRACT.

Contracts or investments made under an existing rate not to preclude the raising of rates if same are found unreasonably low. *Chattanooga Log Rates*, 36 (39).

Possible loss or gain under existing contracts ought not to preclude the establishment of rates that are just and reasonable. *Malt Rates to New Orleans, La.*, 587 (592).

Regardless of the terms, the contract can not oust this Commission of its jurisdiction. *Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co.* 653 (655).

COST OF CONSTRUCTION.

The average cost of construction of a mile of standard wagon road has been about \$10,000 per mile. *Rates on Crushed Stone*, 22 (27).

COST OF ELEVATION.

Net cost to P. M. at Ludington, after allowing for the payments made to the railroad by the steamship company, \$2.41 per car. *Break-Bulk Rates on Grain*, 357 (359).

COST OF LINING CARS.

Cost of lining refrigerator and produce cars varies from \$11 to \$15 per car. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (440).

COST OF PRODUCTION.

Advantages of location and proximity to markets should not be disturbed by fixing rates predicated upon cost of production. *Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co.* 597 (601).

COST OF SERVICE.

Mutual scheme for effecting switching deliveries within the Chicago district is based upon a schedule of reciprocal charges under which the terminal carriers switch for one another at substantially uniform rates or charges which are fixed regardless of the extent or cost of the service performed. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (73).

Probably costs the carriers as much to transport the lower grades of oils as it does to transport the refined oils. *American Refining Co. v. St. L. & S. F. R. R. Co.* 103 (104).

It is difficult to see how a carrier can justify the giving of special service to a single shipper, unless it be upon the ground that the cost of the service is to such an extent reduced that it can properly, in the protection of its own just interest, tender the tariff. *Minimum Weight on Fresh Meat and Other Commodities*, 349 (350).

Contention that division of rate received by break-bulk boats for transporting grain and products from Milwaukee to Ludington is less than cost of transporting same by car ferry, not sustained. *Break-Bulk Rates on Grain*, 357 (358).

Increase in cost of service as justification for not reducing rates following discontinuance of store-door delivery. *Merchants & Mfra. Asso. v. B. & O. R. R. Co.* 388 (390).

COST OF SERVICE—Continued.

From the Soo and Cheboygan to points in central freight association territory on news print paper. *Lake Superior Paper Co. Ltd. v. D. S. S. & A. Ry. Co.* 403 (409).

Comparison of charges for heater service with the cost of lining cars for protection of produce shows that the ultimate expense to the public is somewhat less for lining. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (441).

On class traffic from eastern territory to Washington, D. C. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (447).

Store-door delivery at Washington, D. C., about 5 cents per 100 pounds. *Id.* 446 (447); *Judd & Detweiler, Inc. v. B. & O. R. R. Co.* 455 (457).

Part of road is over rough and mountainous country where grades are steep and curves sharp, and as original construction was such that frequent replacement and repairs are necessary, the cost of operation is high and leaves no net earnings. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (489).

While these fares seem high and in excess of the average passenger fares, there are difficulties which make transportation more costly. *Id.* 488 (491).

Although the movement from Chicago to Terra Cotta is unusually expensive, the rate assessed is no different from that for the less expensive service involved in movements between main line points, as, for example, from Chicago to Woodstock. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

Prior proceedings before this Commission have demonstrated that in many respects operating conditions in the Walsenburg district are similar to what this record shows to exist on the Moffat road. *Coal Rates from Oak Hills, Colo.*, 505 (508).

The Denver & Salt Lake Railroad Company suffers the disability of severe operating conditions. *Id.* 505 (508).

Icing causes additional expense in the nature of extra switching and train delays. *Rates on Bananas from Gulf Ports*, 510 (516).

Special expense per car on banana traffic at port of New Orleans. *Id.* 510 (516).

Cost of handling bananas through the port of Galveston. *Id.* 510 (523).

Commission has repeatedly recognized the comparatively greater cost of transporting fresh meat than packing-house products. *Decker & Sons v. C. M. & St. P. Ry. Co.* 547 (548).

We appreciate the difficulty of even fairly approximating the cost of transporting a unit of freight and realize that any method employed must necessarily be somewhat arbitrary. *Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co.* 597 (602).

It may fairly be questioned whether the same high-rate structure should prevail in a district so thickly populated and in which traffic moves in such quantities as naturally prevails in that part of southern territory which is more sparsely settled and where transportation costs are relatively higher. *Low Moor Iron Co. of Virginia v. C. & O. Ry. Co.* 615 (618).

Coal from St. Charles and Appalachia mines to points north of the Ohio River over Cincinnati route compared with Louisville route. *Coal Rates from Virginia Mines*, 635 (646).

What weight to give to the cost factor depends upon the particular case. *In re Separation of Operating Expenses*, 676 (678).

COST OF SERVICE—Continued.

It is the duty of the Commission to keep itself informed regarding the manner in which the railway business is conducted, and a knowledge of the variations in unit costs is valuable even if no rates are based thereon. Id. 676 (679).

Cost does not change because a state line is crossed. Id. 676 (681).

Length of haul and volume of traffic are among the determining factors in arriving at cost. Id. 676 (681).

COTTON MARKETS.

Savannah, Ga., next to Galveston, Tex., is the largest cotton market in the world. Fourth Section Violations in the Southeast, 153 (170).

COURTS.

The Commission can not be controlled in its judgment upon the reasonableness of interstate rates and fares by the independent action of a state legislature or a tribunal not federal. *Trier v. C. St. P. M. & O. Ry. Co.* 352 (355).

We believe that the courts have a right to look to this Commission and to the various state commissions for a careful study of railway statistics and accounts. In re Separation of Operating Expenses, 676 (679).

CROSS BILL.

Filed by carrier with answer. Rates on Lumber and Other Forest Products, 371 (372).

CROSS-COUNTRY COMPETITION. See COMPETITION.**CURVES.**

Part of road is over rough and mountainous country where grades are steep and curves sharp, cost of operation is high and leaves no net earnings. Railroad Commission of Arkansas *v. M. & N. A. R. R. Co.* 488 (489).

Because of sharp curves at street corners and into industries, cars are hauled over the route by horses. Switching at Baltimore, Md., 581 (582).

DAMAGES.**IN GENERAL.**

Case held open to determine whether shippers are entitled to reparation for the difference between rates paid by them and the aggregate of intermediate rates in effect at the time their shipments moved. Chamber of Commerce of Washington *v. B. & O. R. R. Co.* 446 (454).

Reparation denied because of failure of complainants to prove that they had been damaged by reason of discrimination in distribution of cars. *McCaa Coal Co. v. C. & C. Ry. Co.* 531 (537).

ERROR.

Carriers should refund charges collected under tariff published by mistake. *Lake Superior Paper Co., Ltd., v. D. S. S. & A. Ry. Co.* 403 (414).

EVIDENCE.

Presumption of damage will not be inferred, but proof must be made of such evidentiary facts as would be required to sustain such a recovery before a court of law. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (102).

PARTIES.

Damages denied where consignee paid freight and assigned claim to complainant association. It does not appear that shipper or consignee were damaged by discriminatory rates. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 374 (376).

PREFERENCES AND PREJUDICES.

Rates held unduly prejudicial; damages denied. *Carry & Whyte Co. v. D. & I. R. R. R. Co.* 1 (15).

DAMAGES—Continued.**SECTION FOUR.**

Rates found to be in violation of section four, but damages denied. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (453).

THROUGH AND LOCAL RATES.

Joint through fare in excess of the aggregate of intermediates; damages awarded. *Trier v. C. St. P. M. & O. Ry. Co.* 352 (356).

VOLUNTARY RATES.

Rates voluntarily reduced; damages denied. *Moore Stave Co. v. S. Ry. Co.* 105 (107).

UNREASONABLE RATES.

Rates found unreasonable; damages denied. *Morris, Johnson, Brown Mfg. Co. v. I. C. R. R. Co.* 443 (445); Rates on Bananas from Gulf Ports, 510 (523); *Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co.* 597 (604); *Augusta Cotton Exchange & Board of Trade v. S. Ry. Co.* 704 (707).

Rates found unreasonable; damages to be awarded. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98.

Rates found unreasonable; case held open for proof. *Wallingford v. A. T. & S. F. Ry. Co.* 19 (21); Rates on Crushed Stone, 22 (28).

DELAY.

Icing causes additional expense in the nature of extra switching and train delays. Rates on Bananas from Gulf Ports, 510 (516).

DELIVERING LINE.

The rate specifically attacked, although a separately established rate of the delivering line, can not be considered entirely apart from its relationship to the through rate. *Poehlman Bros. Co. v. C. M. & St. P. Ry. Co.* 89 (92).

DELIVERY.

Rate on logs into Chattanooga includes as part of service delivery to plants located on belt line of A. G. S. Chattanooga Log Rates, 36 (38). On general traffic rates published to Chicago from any shipping territory generally apply to private sidings and industrial delivery tracks. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (73).

From New York and Philadelphia to Baltimore via Gettysburg delivery made on second or third morning. Via direct lines delivery at Baltimore on the first morning after shipment. *Merchants & Mfrs. Asso. v. C. R. R. Co. of N. J.* 396 (399).

Protestant lost advantage of delivery upon a particular line by cancellation of joint through rate via circuitous route. *Cement Rates from Mason City*, 426 (428).

To relieve congestion at Duane Street and facilitate the handling not only of onions, but of all other traffic, the Erie has established the onion market at its Pavonia Avenue station in Jersey City. *Onion Rates to New York, N. Y.*, 528 (529).

If the Soo line desires to give its shippers the benefit of deliveries on the tracks of other carriers in Chicago, it must expect to pay for the use of such facilities. *People's Fuel & Supply Co. v. G. T. W. Ry. Co.* 657 (661).

DEMURRAGE. See also FREE TIME.

Rules enforced at New Orleans for the assessment against steamship companies of demurrage charges on forest products moving on through export bills of lading not found to unjustly discriminate against shipments moving on local bills of lading for export. *Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co.* 140.

DEMURRAGE—Continued.

Average detention of cars of forest products handled through port of New Orleans on through and local bills of lading for calendar year 1912. Id. 140 (145).

DENSITY OF TRAFFIC. See also VOLUME OF TRAFFIC.

The traffic density of the Atlantic Coast Line, the Seaboard Air Line, or the Southern Railway can not be fairly compared with the traffic density of the eastern trunk lines. Fourth Section Violations in the Southeast, 153 (175).

On lines which serve the Soo and extend through the southern peninsula of Michigan was much less than that of the lines which serve the eastern mills and of those which serve the Wisconsin mills. Lake Superior Paper Co., Ltd. v D. S. S. & A. Ry. Co. 403 (411).

Texas Railroad Commission permits the maintenance of higher differentials over common point rates to points on respondent's lines than to points on the other Texas lines, due to greater density of traffic. Brownsville, Tex., Class and Commodity Rates, 479 (486).

Density of traffic over branch line is said to be about one-eighth of that over the main line. American Coal & Supply Co. v. C. & N. W. Ry. Co. 492 (493).

Rates are usually lowest in sections where traffic is most dense. Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co. 663 (665).

DEVELOPMENT.

The construction of the road has caused the development of the country through which it runs, and the interest of the territory requires that the road be operated, receiving sufficient returns to enable it to meet fully its obligations to the people whom it serves. Railroad Commission of Arkansas v. M. & N. A. R. R. Co. 488 (491).

DIFFERENTIAL TERRITORY.

The territory lying west and south of Texas common point territory is known as differential territory, and to all points within it rates are made by adding differentials to the common point rates. Brownsville, Tex., Class and Commodity Rates, 479 (480).

DIFFERENTIALS.

On traffic to Iowa rates from southern mines in Indiana and Illinois are made by adding fixed differentials to rates from the northern Illinois group, which embraces Streator and La Salle, Ill. Coal Rates from Indiana and Illinois Mines, 108 (109).

Water-and-rail and all-water from the eastern seaboard to Mobile and New Orleans. Fourth Section Violations in the Southeast, 153 (183).

Rates from Chicago to Mason City territory are made by adding a 3-cent differential to the rate from St. Louis to St. Paul or Omaha. Rates on Iron and Steel Articles, 337 (339).

Rate on packing-house products to Texas and Arkansas from Marshalltown and Mason City, Iowa, and Austin and South St. Paul, Minn., is made by adding differential to St. Louis rate. Rates on Packing-House Products, Fresh Meats, etc., 341 (342).

Rate on fir lumber and fir forest products from Pacific coast points to Iowa, made by adding differential to St. Paul rate, not found unreasonable. Wheeler Lumber Bridge & Supply Co. v. A. T. & S. F. Ry. Co. 843 (845).

DIFFERENTIALS—Continued.

No justification shown for differential break-bulk lower than all-rail rates in adjustment existing between Milwaukee, Chicago and Minneapolis. Break-Bulk Rates on Grain, 357 (363).

Carriers serving the port of Mobile should establish through routes to Tampa in connection with the Mallory S. S. Co., which should be reasonable differential under the all-rail rates. Tampa Board of Trade v. L. & N. R. R. Co. 377 (381).

While it may be true that malt rates may be scaled higher than barley, or even upon the same differential as flour over wheat rates, it does not necessarily follow that malt should take same rate as flour. Malt Rates to Texas Points, 385 (386).

Rates on news print paper from the Soo to points in Illinois and St. Louis, Mo., found unreasonable in so far as they exceeded by more than five cents rates in effect from Fox River group. Lake Superior Paper Co., Ltd. v. D. S. S. & A. Ry. Co. 403 (412, 414).

Comparison of related rates by Commission in determining reasonableness of rates criticized by complainants as "adjusting of differentials". That such a method may be employed in any proceeding before the Commission regarding the reasonableness of a rate can not be validly questioned. Wickwire Steel Co. v. N. Y. C. & H. R. R. Co. 415 (423).

Rail carriers maintain the same rates to Norfolk as the water carriers, but to Richmond and Washington the rail rates are certain differentials over the water rates. Chamber of Commerce of Washington v. B. & O. R. R. Co. 446 (452).

Rates from Memphis to Ohio River crossings should be lower than the rates from New Orleans, but in view of the great disparity between rates proposed and present rates to intermediate points, authority will not be granted to establish former without regard to increase of discrimination. Memphis Freight Bureau v. I. C. R. R. Co. 471 (476).

With exception of New Orleans, Harvey, and Port Chalmette, rates from group-A points to Brownsville are in each case made by adding published class differentials to rates to Texas common points. Brownsville, Tex., Class and Commodity Rates, 479 (481).

Rates from St. Louis to Brownsville are the regular Brownsville differentials over the rates from St. Louis to Texas common points. Id. 479 (485).

Texas Railroad Commission permits the maintenance of higher differentials over common point rates to points on respondent's lines than to points on the other Texas lines, due to greater density of traffic. Id. 479 (486).

Banana rates from Galveston are certain differentials over or under the New Orleans rates, depending on the destination of the traffic. Rates on Bananas from Gulf Ports, 510 (512).

Present rate on bananas from New Orleans to Lincoln is based on third-class differential of 4 cents over the Omaha rate, which is in turn the third-class differential of 4 cents over Kansas City. Id. 510 (519).

Differential of 2 cents over Chattanooga from points on the Mobile division of the Southern Railway to Knoxville, Tenn., not found unreasonable. Lumber Rates to Knoxville, Tenn., 524 (525).

Differential of 3 cents over Chattanooga from points between Selma, Ala., and Meridian, Miss., to Knoxville, Tenn., not found unreasonable. Id. 524 (526).

General rule that differentials should decrease as distance increases. Id. 524 (526).

DIFFERENTIALS—Continued.

Rates from Galveston to points on and west of the Missouri River are made differentials under the rates from New Orleans. Rates on Tropical Fruits from Gulf Ports, 621 (628).

A maximum differential of 10 cents per ton over the Middlesboro-Jellico mines would be just and reasonable to points north of the Ohio River within 400 miles of St. Charles, Va. Beyond that the differential should decrease not less than 1 cent for each additional 100 miles. Coal Rates from Virginia Mines, 635 (649).

Rates from mines at Appalachia and Benham should not exceed the rates from the Middleboro-Jellico group to points north of the Ohio River by more than 10 to 25 cents per ton. Id. 635 (649).

Accepted rule that the amount of the differential should vary in inverse ratio to the length of haul. Id. 635 (649).

A fair measure of the maximum differential applicable under the peculiar circumstances of this case would bear a fair relation to the out-of-pocket cost which the traffic occasions. Id. 635 (649).

DIRECT LINES. See also CIRCUITOUS ROUTES.

Through route and joint rates denied via circuitous route in view of existing routes with joint rates by more direct lines. Merchant & Mfrs. Asso. v. C. R. R. Co. of N. J. 396 (401).

DISCRIMINATION. See also PREFERENCES AND PREJUDICES.

In order to recover under the act on account of discrimination, a party must show not merely the wrong of a carrier but that that wrong has operated to its injury. Hormel & Co. v. C. M. & St. P. Ry. Co. 98 (102).

Defendant's rule limiting the term "boxes" to those constructed entirely of wood or of wood and metal is unjustly discriminatory and unreasonable. Pridham Co. v. S. P. Co. 117 (122).

Section 8, forbidding unjust discrimination, applies as well when one of the hauls is intrastate as when both are interstate. Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co. 135 (139).

To refuse to eliminate a special privilege of many years standing would be to perpetuate unjust discrimination. Merchants & Mfrs. Asso. v. B. & O. R. R. 388 (394).

Fact that cancellation of dunnage allowance in certain territory, while traffic in other territories served by respondents will have such allowance, and traffic in closed cars will have different treatment than traffic in open cars, held not to effect such discrimination as is forbidden by the statute. Dunnage Allowances, 538 (545).

Rate per ton-mile on packing-house products is comparatively so low as to give color to defendant's contention that an increase of the rate would more fairly eliminate the element of discrimination than a reduction of the rate on fresh meat. Decker & Sons v. C. M. & St. P. Ry. Co. 547 (550).

The practice of absorbing or refusing to absorb switching charges must be both reasonable and nondiscriminatory. Richmond Chamber of Commerce v. S. A. L. Ry. 552 (556).

DISTANCE. See also AVERAGE DISTANCE.

Distance-scale adjustment to the gateways of Minnesota Transfer, Bald Eagle, and Duluth, Minn., and Superior and Ashland, Wis., adhered to. Curry & Whyte Co. v. D. & I. R. R. Co. 1 (2).

Ordinarily a local rail haul of 6 miles is entitled to consideration toward an additional charge. Metropolis Commercial Club v. I. C. R. R. Co. 40 (43).

DISTANCE—Continued.

The distance from New York City to Norfolk via the steamer lines is assumed by the carriers for the purpose of division of rates to be the equivalent of 160 miles of rail haul. Fourth Section Violations in the Southeast, 153 (163).

All-rail and water-and-rail from New York City to south Atlantic ports, shown. Id. 153 (163).

Distance from New York City to Charleston, Savannah, or Brunswick by water, is assumed by carriers for purpose of effecting divisions of rates to be the equivalent of 250 miles of rail haul. Id. 153 (178).

Rail and water, Cincinnati and St. Louis to Tampa, Mobile, and New Orleans; and New Orleans and Jacksonville to Tampa. Tampa Board of Trade *v. L. & N. R. R. Co.* 377 (380).

Lake Erie ports to Pittsburgh, Pa. Grain Rates to Pittsburgh, 382.

Rates on flour offered for comparison with rates on malt. Not helpful, the haul on malt being substantially twice that of flour. Malt Rates to Texas Points, 385 (386).

From Baltimore to Providence, Boston, New York, and Philadelphia. Merchants & Mfrs. Asso. *v. B. & O. R. R. Co.* 388.

Considering greater distances to destination in Michigan, Indiana, and Illinois from eastern mills than from the Soo, rates from the east are low as compared with those from the Soo. This is also indicated by the comparatively low revenue per ton-mile yield. Lake Superior Paper Co., Ltd. *v. D. S. S. & A. Ry. Co.* 403 (408).

All-rail 116 miles less to Washington than to Richmond from New England. Chamber of Commerce of Washington *v. B. & O. R. R. Co.* 446 (450).

There is much force in contention that rates from San Francisco should be less than from Portland. Distances are less and the operating conditions are more favorable. California-Colorado Lumber Rates, 461 (463).

Memphis is 396 miles north of New Orleans and request for differentials is based mainly on substantial difference in distance to Ohio River crossings. Memphis Freight Bureau *v. I. C. R. R. Co.* 471 (474).

Ordinarily rates for longer distances yield a lower per ton-mile revenue. Brownsville, Tex., Class and Commodity Rates, 479 (485).

General rule that differentials should decrease as distance increases. Lumber Rates to Knoxville, Tenn., 524 (526).

Fact that Commission compelled carrier to establish rates for comparatively shorter haul same as rates via longer route no reason for denying justice of establishing equal rates when distances are substantially equal. Omaha Grain Exchange *v. N. P. Ry. Co.* 572 (576).

Difference of 15 per cent in mileage does not justify a difference of 5 cents in the rates. Id. 572 (580).

As measure of rate. Malt Rates to New Orleans, La. 587 (588).

Where a distance scale applies, both the extreme and the mean distances and rates must be considered. Page Milling Co. *v. N. & W. Ry. Co.* 605 (608).

Due to competition, rates grade downward as mileage increases, rather than increasing as ordinarily would be the case. Rates on Tropical Fruits from Gulf Ports, 621 (626).

To the territory east of the Kansas City Southern Railroad the distance from Galveston is greater than from New Orleans, and carriers should be permitted to carry lower rates to points in this territory than to intermediate points in order to meet competition of lines from New Orleans. Id. 621 (630).

DISTANCE—Continued.

Carriers whose mileage exceeds that of the short line by not less than 15 per cent should be granted authority to meet the rates of the short line and to carry higher rates to intermediate points not less than 800 miles distant from Galveston. *Id.* 621 (632).

A maximum differential of 10 cents per ton over the Middlesboro-Jellico mines would be just and reasonable to points north of the Ohio River within 400 miles of St. Charles, Va. Beyond that the differential should decrease not less than 1 cent for each additional 100 miles. *Coal Rates from Virginia Mines*, 635 (649).

Accepted rule that the amount of the differential should vary in inverse ratio to the length of haul. *Id.* 635 (649).

In many instances the rates from Minneapolis and St. Paul increase in the movement westward greatly out of proportion with the increase in distance. *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663 (673).

DISTURBANCE OF ADJUSTMENT. See also ADJUSTMENT OF RATES.

The group or zone principle of rate making is often of mutual advantage to shippers and carriers and will not ordinarily be disturbed where the rates are reasonable and nondiscriminatory. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (81).

Long-standing parity of rates should not be disturbed. *Fourth Section Violations in the Southeast*, 153 (232).

Defendants concede that Memphis should have lower rates to Ohio River crossings than New Orleans, but contend that the differentials asked are too great and would disrupt an adjustment which has been established after much controversy and competition. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (473).

DIVIDENDS.

Average paid for years 1908 to 1912, inclusive, by D. M. & N., and D. & I. R. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1 (6).

Corporate income of D. & M. N. for years 1909 to 1912, inclusive, was \$132,679, or \$34,070 per year, an amount which applied to this road's stock issued and sold of \$200,000 would make available for dividends about 17 per cent per year. *Id.* 1 (6).

P. M. Line steamers in the last ten years have paid cash dividends aggregating 113 per cent, and have declared a stock dividend of 50 per cent. *Break-Bulk Rates on Grain*, 357 (362).

DIVISION OF RATES.

Division of through rates between the Baltimore & Ohio R. R. Co., and the Indian Creek Ry., discussed. *Rogers & Prinkey v. B. & O. R. R. Co.* 32.

The distance from New York City to Norfolk via the steamer lines is assumed by the carriers for the purpose of division of rates to be the equivalent of 160 miles of rail haul. *Fourth Section Violations in the Southeast*, 153 (163).

Distance from New York City to Charleston, Savannah, or Brunswick by water, is assumed by carriers for purpose of effecting divisions of rates to be the equivalent of 250 miles of rail haul. *Id.* 153 (178).

Contention that division of rate received by break-bulk boats for transporting grain and products from Milwaukee to Ludington is less than cost of transporting same by car ferry, not sustained. *Break-Bulk Rates on Grain*, 357 (358).

DIVISION OF RATES—Continued.

Cancellation of rates with boat lines permitted where boat lines manipulated manifests and received excessive divisions. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (368).

Proposed increased rates, resulting from disagreement between carriers as to divisions, not found to have been justified. Rates on Lumber and Other Forest Products, 371 (372).

Compared with local rates between same points. *Tampa Board of Trade v. L. & N. R. R. Co.* 377 (380).

In the division of rates from New Orleans to differential territory on the line of the St. Louis, Brownsville & Mexico Railway the latter receives 55 per cent of the rate, and upon the haul from points east of New Orleans 63 per cent of the amount apportioned to the lines west of New Orleans. *Brownsville, Tex., Class and Commodity Rates*, 479 (484).

Proposal to cancel switching charges received in lieu of division of joint rate, not justified. Switching at Arcade, N. Y. 501 (503).

The record as a whole savors largely of a dispute over divisions. *Coal Rates from Oak Hills, Colo.*, 505 (508).

Bananas from New Orleans to Lincoln, Topeka, Hutchinson, and Kansas City. Rates on Bananas from Gulf Ports, 510 (518).

Commission has frequently held that a shipper whose through rate is reasonable and nondiscriminatory can not complain of the division thereof. *Malt Rates to New Orleans, La.*, 587 (590).

With the exception of rates to Boston, the northern line receives on the average, mile for mile, nearly twice as much as the southern line. *Low Moor Iron Co. of Virginia v. C. & O. Ry. Co.* 615 (617).

The law prescribes no basis upon which our findings shall rest when, in the event of the contingencies provided for in the act, the duty of fixing the divisions falls upon us. *People's Fuel & Supply Co. v. G. T. W. Ry. Co.* 657 (661).

Out of the rate to Chicago, the Soo line should allow, and the Grand Trunk should receive, for switching cars of ice from Elsdon to Forty-ninth street and Center avenue, 1 cent per 100 pounds, minimum 60,000 pounds, minimum charge \$6 per car. *Id.* 657 (662).

DOCKS. See **WHARFAGE.**

DRAYAGE.

Allowance of 3 cents is provided in tariffs for drayage and ferriage in lieu of lighterage. *Onion Rates to New York, N. Y.* 528 (529).

DUNNAGE.

In view of the fact that substitution of dunnage for more expensive boxes and crates and other packing material is of advantage to shipper, we think it not inconsistent that the carriers should receive revenue for the total weight hauled. *Dunnage Allowances*, 538 (543).

If shippers elect to dispense with the use of boxes, crates, and other packing upon the full weight of which carriers would receive freight charges, carrier offering equipment which would otherwise adequately take care of shipment is entitled to revenue for the gross weight transported. *Id.* 538 (545).

DUTY OF CARRIERS.

Not obligated to prepare shipments for transportation. *Dunnage Allowances*, 538 (542).

It is not only the right but the duty of the carrier to decline shipments which are not so prepared or packed as to render them safe for transportation. *Id.* 538 (542).

DUTY OF COMMISSION. *See* INTERSTATE COMMERCE COMMISSION.

EARNINGS. *See also* REVENUE.

In view of the lower earnings by the break-bulk route, carriers should perhaps not be required to maintain lower rates via this route than via the car-ferry or all-rail routes. Break-Bulk Rates on Grain, 357 (363). Part of road is over rough and mountainous country where grades are steep and curves sharp, and as original construction was such that frequent replacement and repairs are necessary, the cost of operation is high and leaves no net earnings. Railroad Commission of Arkansas *v.* M. & N. A. R. R. Co. 488 (489).

ECONOMY.

From the standpoint of economy in operation and facility in future financing of the New York Central and Lake Shore & Michigan Southern the consolidation is warranted. Proposed Bond Issue by N. Y. C. & H. R. R. Co. 147 (151).

ELECTRIC LINES.

Mason City & Clear Lake Ry. Coal Rates from Indiana and Illinois Mines, 108.

Reciprocal transfers between the Washington-Virginia Ry. Co. and the Washington Railway & Electric Co., discussed. Virginia Highlands Citizens' Asso. *v.* W.-V. Ry. Co. 593 (596).

Upon request of the Grand Trunk Ry. Co., the Crosby Transportation Co., a water line, canceled joint rates with the Grand Rapids, Grand Haven & Muskegon Ry. Co., an electric line, causing decrease in movement of Michigan fruit to Milwaukee. Joint rates ordered reestablished. Milwaukee Produce & Fruit Exchange *v.* Crosby Transportation Co. 653 (655).

ELEVATION. *See also* ALLOWANCES; TRANSIT PRIVILEGES.

The Supreme Court has held that elevation is a part of transportation which the railroad is required to furnish under the first section of the act. Elevation Allowances at St. Louis and East St. Louis, 696 (697).

As elevation is not a transportation necessity at St. Louis and East St. Louis on Evansville business, the facts of record justify the withdrawal of the allowance. *Id.* 696 (699).

EMBARGOES.

Carriers gave notice that for stated periods no cotton would be received for shipment to Ft. Smith owing to inadequate storage and compress facilities. Rates on Cotton and Cotton Linters, 467 (468).

Caused by delay on part of buyers in removing onions from piers. Onion Rates to New York, N. Y. 528 (529).

These embargoes are looked upon by the growers with favor as the "only thing that will save the market." *Id.* 528 (530).

EMPTY CARS.

Empty-car mileage given as more than 30 per cent on the New Orleans, Texas & Mexico Ry., and approximately 40 per cent on the Beaumont, Sour Lake & Western Ry., and the St. Louis, Brownsville & Mexico Ry. Brownsville, Tex., Class and Commodity Rates, 479 (484).

More than 7 per cent of the tonnage is live stock, and approximately 5 per cent fruits and vegetables, for which empty cars have to be hauled almost to the southern extremity of the line. *Id.* 479 (484).

It is not proper to set up as an item of expense mileage on the car both ways without crediting the mileage earned on cars returned under load. Rates on Bananas from Gulf Ports, 510 (518).

Cars used for shipments of hay from Pierreville, Quebec, to St. Albans, Vt., invariably return empty. American Hay Co. *v.* C. V. Ry. Co. 562 (565).

EMPTYES—Continued.

Assumption of a full 100 per cent return movement of empty cars, notwithstanding fact that certain proportion of these cars returned loaded with company material, unduly swells the cost of this traffic. Coal Rates from Virginia Mines, 685 (646).

EQUALIZING CONDITIONS. See **ADVANTAGES**; **LOCATION**.

EQUALIZING RATES.

Endeavor to equalize the alleged discrimination against St. Louis not sufficient justification for the increase in rates to Memphis. Wheat Rates from Oklahoma, 93 (97).

Fact that Commission compelled carrier to establish rates for comparatively shorter haul same as rates via longer route no reason for denying justice of establishing equal rates when distances are substantially equal. Omaha Grain Exchange v. N. P. Ry. Co. 572 (576).

EQUIPMENT.

Carrier may secure the economical use of its equipment. Minimum Weight on Fresh Meats and Other Commodities, 849 (850).

Carrier should not be required to furnish special refrigerator cars unless the carrier be allowed to protect its revenues by requiring a substantial loading sufficient adequately to utilize its equipment. Id. 849 (850).

The Muncie & Western has no equipment. Switching is performed by the Muncie Belt Line for which it is reimbursed for the actual cost of maintenance and operation. The Muncie & Western receives allowances from the connecting carriers on in and out bound traffic, which is absorbed by the line haul carriers. In Re Muncie & Western R. R. Co., 484 (485).

Shippers frequently nail their bulkheads and false floors to the car. Carriers should provide dead pieces into which nails may be driven without injury to the car. New York Shippers' Protective Asso. v. N. Y. O. & H. R. R. Co. 437 (442).

Objection against closing certain gateways was the possible effect it might have in the matter of securing equipment because of return loading agreements under which cars must be routed directly to the home line. Not sufficient where movement is restricted via gateway of natural route. California-Colorado Lumber Rates, 461 (463).

In order to conserve equipment carriers sought to withdraw concentration privilege. Movement being so heavy that carriers found it impossible to furnish adequate equipment to move it and entailing danger from fire and other damage. Rates on Cotton and Cotton Linters, 467 (468).

Cars that would be rejected for other traffic frequently are employed in transporting pig iron. Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co. 597 (602).

ERROR.

In adjustment of rates no justification for proposed increase. Wheat Rates from Oklahoma, 93 (95).

Rate on news print paper from the Soo to Chicago published by mistake. Carriers should make refund on all shipments made. Lake Superior Paper Co., Ltd., v. D. S. S. & A. Ry. Co. 403 (409, 414).

Supplement to joint tariff filed through error or inadvertence by carrier acting under power of attorney reducing rates at intermediate points to the level of the junction point rates. When this was discovered both carriers canceled their joint through rates. Cement Rates from Mason City, 426 (427).

ERROR—Continued.

Application of proportional rates on lignite coal from Denver, to take in bituminous coal, was the act of an unauthorized clerk. *Coal Rates from Oak Hills, Colo.* 505 (507).

EVIDENCE.

Questions of reasonableness and discrimination are always questions of fact. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1 (3).

The Commission in its original decision did not base its conclusion on evidence introduced in the other cases, but merely used the rates found in the other cases to be reasonable as a measure of the reasonableness of the rate in the *Wickwire case*. Such a reference to the conclusions in other cases is entirely proper. *Wickwire Steel Co. v. N. Y. C. & H. R. R. Co.* 415 (424).

In some cases the testimony of shippers is essential. This is especially true when reparation is to be awarded. *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663 (669).

EXCURSION RATES.

Defendant has very little through passenger traffic, its heaviest travel being to a summer resort to which excursions are advertised and excursion rates given. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (490).

EX-LAKE GRAIN.

Increased rates on ex-lake grain from Buffalo, N. Y., to Pittsburgh, Pa., and points taking same rates not found to have been justified. *Grain Rates to Pittsburgh*, 382.

Subsequent to order prescribing certain rates on export and domestic grain and flour, carriers filed petition for supplemental hearing on the question of modification of the order. Upon agreement by parties certain rates submitted for actual trial which are herein prescribed. *Toledo Produce Exchange v. A. A. R. R. Co.* 498 (499).

EXPEDITED SERVICE.

Higher rate in effect on fast-freight service, which included collection at point of origin and delivery at destination. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (450); *Judd & Detweiler, Inc. v. B. & O. R. R. Co.* 455 (458).

EXPENSE BILLS.

Record not sufficient to enable Commission to determine reasonableness of regulation requiring shippers of grain to surrender expense bills in order to obtain benefit of reshipping rates from St. Louis and East St. Louis to c. f. a. and trunk-line territories. *Merchants Exchange of St. Louis v. B. & O. R. R. Co.* 700.

EXPENSES. See also COST OF OPERATION; COST OF SERVICE.

Incurred by carriers in order to effect store-door delivery. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (390).

A division between freight and passenger service alone will not involve additional expense which can not be justified. In re *Separation of Operating Expenses*, 676 (681).

EXPORT BILLS OF LADING.

Rules enforced at New Orleans for the assessment against steamship companies of demurrage charges on forest products moving on through export bills of lading not found to unjustly discriminate against shipments moving on local bills of lading for export. *Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co.* 140.

EXPORTS.

Mexican grain through San Pedro, Cal. Newark Grain Co. v. S. P. Co. 431.

Subsequent to order prescribing certain rates on export and domestic grain and flour, carriers filed petition for supplemental hearing on the question of modification of the order. Upon agreement by parties certain rates submitted for actual trial which are herein prescribed. Toledo Produce Exchange v. A. A. R. R. Co. 498 (499).

FACILITIES. See also EQUIPMENT; TERMINAL FACILITIES.

The export shippers at New Orleans have no yard facilities of their own, and shipments for them reaching New Orleans on local bills of lading are held by the railroads until orders are given for forwarding to the public docks. Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co. 140 (144).

It is incumbent upon carriers to provide adequate station and warehouse facilities for the expeditious handling and delivery of freight transported by them. Merchants & Mfrs. Asso. v. B. & O. R. R. Co. 388 (393).

Carriers gave notice that for stated periods no cotton would be received for shipment to Ft. Smith owing to inadequate storage and compress facilities. Rates on Cotton and Cotton Linters, 467 (468).

FACTOR.

The rate specifically attacked, although a separately established rate of the delivering line, can not be considered entirely apart from its relationship to the through rate. Poehlman Bros. Co. v. C. M. & St. P. Ry. Co. 89 (92).

Commission has repeatedly held that a shipper whose through rate is reasonable can not usually attack one of the proportionals which may be a factor of the through charge. Trier v. C. St. P. M. & O. Ry. Co. 707 (710).

FEDERAL STATUTE.

Neither the consolidation of the New York Central and the Lake Shore & Michigan Southern nor the exchange of bonds on the basis of increased interest rate indicated, incident thereto, would offend any federal statute. Proposed Bond Issue by N. Y. C. & H. R. R. R. Co. 147 (151).

FERRIAGE.

Allowance of 3 cents is provided in tariffs for drayage and ferriage in lieu of lighterage. Onion Rates to New York, N. Y., 528 (529).

FERRIES.

A 10-minute ferry service is maintained between Jersey City and New York City. Onion Rates to New York, N. Y., 528 (529).

FINANCING.

The New York Central desires to consolidate the Lake Shore with the New York Central, not only in the interest of the through traffic between New York and Chicago, but more particularly in the interest of simplicity and strength in the financing of the two companies. Proposed Bond Issue by N. Y. C. & H. R. R. R. Co., 147 (148).

From the standpoint of economy in operation and facility in future financing of the New York Central and Lake Shore & Michigan Southern the consolidation is warranted. Id. 147 (151).

FLAT HAUL.

No justification shown for an allowance in addition to the through rate from point of origin to final destination as extra compensation for the flat haul over that necessary to reach the first compress point. Rates on Cotton and Cotton Linters, 467 (470).

FLOORS.

Practice of providing for frost protection to build temporary floor above the permanent floor. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (439).

FREE TIME. *See also* DEMURRAGE.

Ten days' free time allowed at New Orleans on forest products moving to port on local bills of lading for export. *Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co.* 140 (141).

Where an order for placing a car at the unloading wharf is given prior to 6 p. m. of the ninth day, the free time is computed as though the car were unloaded on the tenth day. *Id.* 140 (143).

FROST PROTECTION.

Frost protection that is sufficient for potatoes in bulk is ample for bulk shipments of apples, onions, and carrots, and more than is needed for cabbage. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (439).

GATEWAYS.

St. Louis and Kansas City are the principal gateways of Texas and Arkansas traffic. Rates on Packing-House Products, Fresh Meats, etc., 341 (342).

Proposed advance in rate on peanuts from New Orleans to Oklahoma City to remove advantage to that gateway over Memphis and St. Louis on traffic from Virginia shipping points, not justified. *Peanut Rates to Oklahoma City, Okla.*, 346 (347).

Purpose of increased rates to close route via El Paso and Deming gateways and restrict movement via Ogden. *California-Colorado Lumber Rates*, 461.

GEOGRAPHICAL SITUATIONS. *See also* ADVANTAGES; LOCATION.

Not the province of this Commission to equalize. *Hormel & Co. v. O. M. & St. P. Ry. Co.* 98 (102).

GONDOLA CARS.

Road stone carried in gondola cars. Rates on Crushed Stone, 22 (23).

GOVERNMENT RATES.

The State of Maryland endeavoring to improve its roads not entitled to reduced rates on crushed stone. Rates on Crushed Stone, 22 (24).

GRADED RATES.

Rates on logs graded from 1 cent for 5 miles to 3.3 cents for 120 miles. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1 (3).

GRADES.

Part of road is over rough and mountainous country where grades are steep and curves sharp, cost of operation is high and leaves no net earnings. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (489).

GRAIN DOORS.

Used to retain load in car and prevent leakage therefrom. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (439).

GROUP RATES. *See also* BLANKET RATES.

Adjustment of Meyersdale group rates and the Indian Creek field rates. *Rogers & Prinkey v. B. & O. R. R. Co.* 22.

Wherever group rates are established there are points just over the group line that take higher rates. *Id.* 22 (23).

EXPORTS.

Mexican grain through San Pedro, Cal. Newark Grain Co. v. S. P. Co. 431.

Subsequent to order prescribing certain rates on export and domestic grain and flour, carriers filed petition for supplemental hearing on the question of modification of the order. Upon agreement by parties certain rates submitted for actual trial which are herein prescribed. Toledo Produce Exchange v. A. A. R. R. Co. 493 (499).

FACILITIES. See also EQUIPMENT; TERMINAL FACILITIES.

The export shippers at New Orleans have no yard facilities of their own, and shipments for them reaching New Orleans on local bills of lading are held by the railroads until orders are given for forwarding to the public docks. Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co. 140 (144).

It is incumbent upon carriers to provide adequate station and warehouse facilities for the expeditious handling and delivery of freight transported by them. Merchants & Mfrs. Asso. v. B. & O. R. R. Co. 388 (393).

Carriers gave notice that for stated periods no cotton would be received for shipment to Ft. Smith owing to inadequate storage and compress facilities. Rates on Cotton and Cotton Linters, 467 (468).

FACTOR.

The rate specifically attacked, although a separately established rate of the delivering line, can not be considered entirely apart from its relationship to the through rate. Poehlman Bros. Co. v. C. M. & St. P. Ry. Co. 89 (92).

Commission has repeatedly held that a shipper whose through rate is reasonable can not usually attack one of the proportionals which may be a factor of the through charge. Trier v. C. St. P. M. & O. Ry. Co. 707 (710).

FEDERAL STATUTE.

Neither the consolidation of the New York Central and the Lake Shore & Michigan Southern nor the exchange of bonds on the basis of increased interest rate indicated, incident thereto, would offend any federal statute. Proposed Bond Issue by N. Y. C. & H. R. R. R. Co. 147 (151).

FERRIAGE.

Allowance of 3 cents is provided in tariffs for drayage and ferriage in lieu of lighterage. Onion Rates to New York, N. Y., 528 (529).

FERRIES.

A 10-minute ferry service is maintained between Jersey City and New York City. Onion Rates to New York, N. Y., 528 (529).

FINANCING.

The New York Central desires to consolidate the Lake Shore with the New York Central, not only in the interest of the through traffic between New York and Chicago, but more particularly in the interest of simplicity and strength in the financing of the two companies. Proposed Bond Issue by N. Y. C. & H. R. R. R. Co., 147 (148).

From the standpoint of economy in operation and facility in future financing of the New York Central and Lake Shore & Michigan Southern the consolidation is warranted. Id. 147 (151).

FLAT HAUL.

No justification shown for an allowance in addition to the through rate from point of origin to final destination as extra compensation for the flat haul over that necessary to reach the first compress point. Rates on Cotton and Cotton Linters, 467 (470).

FLOORS.

Practice of providing for frost protection to build temporary floor above the permanent floor. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (439).

FREE TIME. *See also* DEMURRAGE.

Ten days' free time allowed at New Orleans on forest products moving to port on local bills of lading for export. *Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co.* 140 (141).

Where an order for placing a car at the unloading wharf is given prior to 6 p. m. of the ninth day, the free time is computed as though the car were unloaded on the tenth day. *Id.* 140 (143).

FROST PROTECTION.

Frost protection that is sufficient for potatoes in bulk is ample for bulk shipments of apples, onions, and carrots, and more than is needed for cabbage. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (439).

GATEWAYS.

St. Louis and Kansas City are the principal gateways of Texas and Arkansas traffic. Rates on Packing-House Products, Fresh Meats, etc., 341 (342).

Proposed advance in rate on peanuts from New Orleans to Oklahoma City to remove advantage to that gateway over Memphis and St. Louis on traffic from Virginia shipping points, not justified. *Peanut Rates to Oklahoma City, Okla.*, 346 (347).

Purpose of increased rates to close route via El Paso and Deming gateways and restrict movement via Ogden. *California-Colorado Lumber Rates*, 461.

GEOGRAPHICAL SITUATIONS. *See also* ADVANTAGES; LOCATION.

Not the province of this Commission to equalize. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (102).

GONDOLA CARS.

Road stone carried in gondola cars. Rates on Crushed Stone, 22 (23).

GOVERNMENT RATES.

The State of Maryland endeavoring to improve its roads not entitled to reduced rates on crushed stone. Rates on Crushed Stone, 22 (24).

GRADED RATES.

Rates on logs graded from 1 cent for 5 miles to 3.3 cents for 120 miles. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1 (3).

GRADES.

Part of road is over rough and mountainous country where grades are steep and curves sharp, cost of operation is high and leaves no net earnings. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (489).

GRAIN DOORS.

Used to retain load in car and prevent leakage therefrom. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co.* 437 (438).

GROUP RATES. *See also* BLANKET RATES.

Adjustment of Meyersdale group rates and the Indian Creek field rates. *Rogers & Prinkey v. B. & O. R. R. Co.* 32.

Wherever group rates are established there are points just over the group line that take higher rates. *Id.* 32 (33).

GROUP RATES—Continued.

Carriers may lawfully make a rate applicable to a group of points within a defined zone and treat them all as one point for rate-basing purposes, but the proximity of points just without or beyond this zone can not be ignored when the question of through rates to the latter points comes up for consideration. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (81).

For rate-making purposes mines in Indiana and Illinois are grouped. *Coal Rates from Indiana and Illinois Mines*, 108.

Proposed increase in order to restore Mason City, Iowa, Austin, and South St. Paul, Minn., to so-called Fox River group, not justified. *Rates on Packing-House Products, Fresh Meats, etc.*, 341 (342).

Group rates from defined eastern and New England territory to Baltimore have been in effect without material change for 27 years and without complaint prior to present proceeding. *Merchants & Mfrs. Asso v. B. & O. R. R. Co.* 388 (396).

Practice in making rates on paper to group both points of origin and destination. *Lake Superior Paper Co., Ltd., v. D. S. S. & A. Ry. Co.* 403 (406).

Objection to grouping points because same lines are not initial lines. *Id.* 403 (410).

New Orleans, Harvey, Port Chalmette, and other Louisiana points contained in group A. *Brownsville, Tex., Class and Commodity Rates*, 479 (480).

HARBORS.

Nearly \$250,000 was expended in improving the harbor at Point Isabel, Tex. *Brownsville, Tex., Class and Commodity Rates*, 479 (483).

HEARING. See also ISSUE.

Objection that complainant was deprived of hearing guaranteed by Act, not sustained where Commission delayed action in case where other complaints were filed involving rates to related points. No effort was made by complainant to formally intervene or participate in the proceedings. *Wickwire Steel Co. v. N. Y. C. & R. R. R. Co.* 415 (416).

The Commission in its original decision did not base its conclusion on evidence introduced in the other coke cases, but merely used the rates found in the other cases to be reasonable as a measure of the reasonableness of the rate in the *Wickwire case*. Such a reference to the conclusions in other cases is entirely proper. *Id.* 415 (424).

HOPPER CARS.

Road stone carried in hopper cars. *Rates on Crushed Stone*, 22 (23).

ICING. See REFRIGERATION.**ILLINOIS DISTANCE SCALE.**

Rates from Indiana coal fields to all points on the line of the Chicago & North Western in Illinois, not affected by competition, are made upon combination of proportional rates to Chicago plus the local rates to destination, the latter based on or approximating the Illinois distance scale. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

IMPORTS.

There are more bananas imported through New Orleans than through any other port in the United States. *Rates on Tropical Fruits from Gulf Ports*, 621 (627).

IMPROVEMENTS. See also BETTERMENTS.

Original construction was such that frequent replacement and repairs are necessary, the cost of operation is high and leaves no net earnings. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (489).

IN AND OUT RATES.

The theory upon which the carriers make the bituminous coal rates apply to industries is that the inbound service is usually compensated by an outbound haul on manufactured products. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (74).

Fact that jobbing situation is controlled by outbound rates from jobbing points is no justification for depriving any locality of just and reasonable inbound rates. Rates on Bananas from Gulf Ports, 510 (515).

Credits on account of inbound billing could not be made available for outbound shipments unless used within a given time limit. *American Hay Co. v. C. V. Ry. Co.* 562 (563).

INCOME.

Corporate income of D. & M. N., for years 1909 to 1912, inclusive, was \$132,679, or \$34,070 per year, an amount which applied to this road's stock issued and sold of \$200,000 would make available for dividends about 17 per cent per year. *Curry & Whyte Co. v. D. & I. R. R. R. Co.* 1 (1).

INCOME TAX.

The New York Central estimates that by consolidating the Lake Shore with the New York Central \$200,000 annually can be saved under the federal income tax law. Proposed Bond Issue by N. Y. C. & H. R. R. R. Co. 147 (151).

"INDUSTRIAL" CHICAGO.

Defined. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (74).

INDUSTRIAL LINES.

The Muncie and Western is purely a private facility of the Hall Iron Works Mfg. Co., and there is no justification for the allowance to it by the trunk lines of the switching charge. *In re Muncie & Western R. R. Co.* 484 (436).

Under system of car distribution employed, mines owned by same interests as defendant railroad were furnished all the cars required during periods of car shortage and high prices. *McCauley Coal Co. v. C. & O. Ry. Co.* 531 (536).

INDUSTRIAL RATES.

The theory upon which the carriers make the bituminous coal rates apply to industries is that the inbound service is usually compensated by an outbound haul on manufactured products. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (74).

A. C. L. protects the Richmond rates on traffic to and from six specified industries on its tracks. *Richmond Chamber of Commerce v. N. A. L. Ry.* 552 (554).

Carriers can not make more favorable rates from industries upon their own lines to the point of establishing charges so disproportionate as by comparison to be unjust or unreasonable. *Low Moor Iron Co. of Virginia v. C. & O. Ry. Co.* 615 (619).

INDUSTRIAL SWITCHING. See also SWITCHING.

All of the southern roads make a charge of \$2 from industries on their own rails. No charge is made from the interchange with connections and all connecting-line switching in excess of \$2 per car is absorbed. This has the effect of placing all users of this service upon a parity. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (555).

INDUSTRIES.

There are 13 towns in the Pittsburgh territory at which are operated 15 flour mills. Grain Rates to Pittsburgh, 382 (383).

INJUNCTION.

Appeal to courts for injunction restraining defendants from putting increased rate in effect denied. *Wickwire Steel Co. v. N. Y. C. & H. R. R. Co.* 415 (416).

Defendant is contesting the intrastate fares in Missouri and Arkansas, those in Arkansas having been enjoined by the courts. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (490).

INSPECTION.

Hay at St. Albans, Vt. *American Hay Co. v. C. V. Ry. Co.* 562.

The practical difficulty in determining with certainty whether any given shipment of molasses, when made, is of one grade or another, is a reason, although not controlling, for applying the same rate on all grades. *Molasses Rates to Knoxville, Tenn.*, 613.

INTERCHANGE OF TRAFFIC.

The reciprocal interchange arrangement in the Chicago switching district is highly commendable in many respects. It is advantageous to the public and carriers alike. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (81).

Interchange of coal traffic between the Chicago & North Western and the Indiana Harbor Belt Railroad at Proviso, Ill. *Lombard Brick & Tile Co. v. C. & N. W. Ry. Co.* 84 (85).

The act imposes no requirement upon the Commission that in determining a reasonable charge for the interchange movement, it must in some way or other take into its calculations the factor that the charge may be absorbed by a competitor road. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (690).

In determining what is a reasonable rate for the interchange movement, the Commission should take into consideration the circumstance that the use of the rate means that the terminal road is deprived of the line haul. *Id.* 683 (690).

INTERMEDIATE RATES. See also LONG AND SHORT HAUL.

Rates to intermediate points from New York and eastern points in excess of rates to south Atlantic ports not found unreasonable. *Fourth Section Violations in the Southeast*, 153 (178).

Rates from New York City to New Orleans, Mobile, and Pensacola, lower than rates to intermediate points, not found unreasonable. *Id.* 153 (188).

Rates from Memphis to Ohio River crossings should be lower than the rates from New Orleans, but in view of the great disparity between rates proposed and present rates to intermediate points, authority will not be granted to establish former without regard to increase of discrimination. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (476).

Carriers should be permitted to continue to carry rates to all points east of the east bank of the Missouri River the same as or made with relation to the rates from New Orleans, and continue higher rates to intermediate points. *Rates on Tropical Fruits from Gulf Ports*, 621 (623).

Rates on coconuts from Galveston to points on indirect lines intermediate to Kansas City not more than 800 miles from Galveston should not exceed 45 cents per 100 pounds, and amount added for each 25 miles or fraction thereof should not exceed 1½ cents per 100 pounds. *Id.* 621 (634).

INTERSTATE COMMERCE COMMISSION.

It is the duty of the Commission to keep itself informed regarding the manner in which the railway business is conducted, and a knowledge of the variations in unit costs is valuable to us even if no rates are based thereon. *In re Separation of Operating Expenses*, 676 (679).

INTERSTATE COMMERCE COMMISSION—Continued.

To the extent that state-established rates are permitted to determine the reasonableness of interstate rates, to that extent must this Commission, as a federal tribunal, be embarrassed by the anomalous situations arising from conflicts between state and federal jurisdictions. *Trier v. C. St. P. M. & O. Ry. Co.* 707 (709).

INTERVENERS.

Shippers joined carriers in defending relationship of rates. *Lake Superior Paper Co., Ltd. v. D. S. S. & A. Ry. Co.* 403 (404).

Chamber of Commerce of Washington v. B. & O. R. R. Co. 446 (447); *Judd & Detweiler, Inc. v. B. & O. R. R. Co.* 455; *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (472).

INTRALINE TRAFFIC.

Traffic which was not interchanged with the reporting lines, but which moved wholly between points on small nonreporting lines. *Fourth Section Violations in the Southeast*, 153 (160).

INTRASTATE RATES. See STATE RATES.**INVESTIGATION.**

Commission's report upon proposed consolidation of the New York Central and Lake Shore & Michigan Southern Railroads. *Proposed Bond Issue by N. Y. C. & H. R. R. Co.* 147.

Under section 15, the Commission on its own initiative, may enter upon an investigation, and determine and prescribe just and reasonable rates. *Coal Rates from Oak Hills, Colo.*, 505 (508).

INVESTMENT.

The fact standing alone that shipper made investments under an existing rate does not preclude the raising of a rate if same were found unreasonably low. *Chattanooga Log Rates*, 36 (39).

Fact that new plant was built upon assurance from carriers that a lower rate would be established, not in and of itself sufficient ground for finding the rate unreasonable. *Meridian Fertilizer Factory v. L. & N. R. R. Co.* 494 (497).

ISSUE

Statements contained in brief of alleged facts of which there is no proof, and which are entirely outside the record. They can not be considered. *Break-Bulk Rates on Grain*, 357 (361).

Action delayed on complaint of rates on coke from Connellsville region to Buffalo because other complaints were filed involving rates to related points and to establish rates from Connellsville region to Buffalo would virtually decide the latter cases. *Wickwire Steel Co. v. N. Y. C. & H. R. R. Co.* 415 (416).

JOBGING POINTS.

Fact that jobbing situation is controlled by outbound rates from jobbing points is no justification for depriving any locality of just and reasonable inbound rates. *Rates on Bananas from Gulf Ports*, 510 (515).

JOINT AGENCY.

At Milwaukee the agent and employees of the Grand Trunk act also in like capacity for the Crosby line. *Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co.* 653 (654).

JOINT RATES. See also THROUGH ROUTES AND JOINT RATES.

Baltimore & Ohio Railroad's proposed construction of joint through rates on coal from mines on the Indian Creek Valley Railway, justified. *Rogers & Prinkey v. B. & O. R. R. Co.* 82.

JOINT RATES—Continued.

Fact that carrier has entered into joint rates with lines for traffic from local points destined to noncompetitive points in order to compete for long haul, does not present a situation similar to that obtaining at water-locked points where there is no competition between rail lines. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (369).

Establishment of joint rates on terminal basis from water-locked points on salmon while denying same to shingles not found to constitute unjust discrimination. *Id.* 364 (370).

Supplement to joint tariff filed through error or inadvertence by carrier acting under power of attorney reducing rates at intermediate points to the level of the junction-point rates. When this was discovered both carriers canceled their joint through rates. *Cement Rates from Mason City*, 426 (427).

Cancellation of, not justified. *Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co.* 653 (657).

JURISDICTION.

Commission has no authority to equalize by adjustments the commercial or natural advantages of one community over another. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (55).

Section 3, forbidding unjust discrimination, applies as well when one of the hauls is intrastate as when both are interstate. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (139).

Commission has no jurisdiction over issuance of securities by railroads. *Proposed Bond Issue by N. Y. C. & H. R. R. R. Co.* 147 (152).

Where new rates are filed the Commission, under section 15, is authorized, on its own initiative, to determine the propriety of such new rates and, pending such determination, to suspend the operation of the schedules stating such new rates. *Coal Rates from Oak Hills, Colo.*, 505 (508).

Clearly, when the proposed rates involve increases or decreases they are new rates, and as to them the Commission's jurisdiction is full and complete by virtue of the second paragraph of section 15. *Id.* 505 (508).

Regardless of the terms, the contract can not oust this Commission of its jurisdiction. *Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co.* 653 (655).

To the extent that state-established rates are permitted to determine the reasonableness of interstate rates, to that extent must this Commission, as a federal tribunal, be embarrassed by the anomalous situations arising from conflicts between state and federal jurisdictions. *Trier v. C. St. P. M. & O. Ry. Co.* 707 (709).

LAKE-AND-RAIL RATES.

While the combinations on the twin cities of rates via the all-rail routes from New York, Pittsburgh, and other eastern points exceed the combinations all-rail via Chicago, the combinations on the twin cities via the lake-and-rail routes are in all cases less than on Chicago. *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663 (670).

LENGTH OF HAUL.

Length of haul and volume of traffic are among the determining factors in arriving at cost. In re *Separation of Operating Expenses*, 676 (681).

LIGHTERAGE.

Allowance of 3 cents is provided in tariffs for drayage and ferriage in lieu of lighterage. *Onion Rates to New York, N. Y.* 528 (529).

LINE HAUL. *See also* **TWO-LINE HAUL.**

Carrier permitted to cancel through rates from points on the O.-W. R. R. & N. Co., to points on or east of the Missouri River via Plummer, Idaho, so as to secure to its lines the longest practicable haul. *Lumber Rates from North Pacific Coast Points*, 111 (114).

Rates from some of principal cities in southeastern territory are higher when made over two or more lines than when made over a one-line haul.

Fourth Section Violations in the Southeast, 153 (174).

So long as lower rates are maintained to more distant points on or via the same line the rates to intermediate points should not exceed the average rates over one-line hauls for like distances. *Id.* 153 (253).

Respondent gets much shorter hauls under the routes to which it is already a party than the haul it would get under the proposed route if established; and if it had not joined in such routes, a question might have arisen whether it could be compelled to do so. *Merchants & Mfrs. Asso. v. C. R. R. Co. of N. J.* 396 (399).

Section 15 prohibits the Commission from entering order embracing in any through route substantially less than the entire length of a carrier's line. *Cement Rates from Mason City*, 426 (430).

In determining what is a reasonable rate for the interchange movement, the Commission should take into consideration the circumstance that the use of the rate means that the terminal road is deprived of the line haul. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (690).

LINING CARS. *See also* **CAR FITTING.**

Rules and practices of defendants with respect to allowances for car linings, for shipments of produce, not found unreasonable. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. R. Co.* 437.

LOADING. *See also* **AVERAGE LOADING; MINIMUM WEIGHT.**

Malt loads more heavily than flour, and this is reflected in the minimum carload weights. It is less subject than flour to loss and damage in transit. *Malt Rates to Texas Points*, 385 (387).

News print paper is a desirable article for transportation; although minimum weight is 36,000 pounds, average load approximates 50,000 pounds per car; no particular equipment or special speed required; loss and damage claims negligible and daily movement is regular and uniform. *Lake Superior Paper Co., Ltd. v. D. S. S. & A. Ry. Co.* 403 (408).

If shipments of produce were made in packages instead of bulk, car linings and bulkheads would not be necessary. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. R. Co.* 437 (440).

Leather used in manufacture of harness loads as heavily as shoe sole leather. *Chamber of Commerce of Macon v. C. N. O. & T. P. Ry. Co.* 477 (478).

Fresh meat loads lighter than packing-house products by 5,000 or 6,000 pounds to the car. *Decker & Sons v. C. M. & St. P. Ry. Co.* 547 (548).

LOADING AND UNLOADING.

On public and private docks at New Orleans, discussed. *Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co.* 140 (144).

For loading and unloading and all other special services, carrier may properly make a reasonable charge. *Dunnage Allowances*, 538 (543).

LOCAL RATES.

Local rates on coal from Chicago to Elmhurst applied to remainder of through haul from the mines, are designated proportional rates. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (72).

LOCAL RATES—Continued.

Rates from Indiana coal fields to C. & N. W. points in Illinois, not affected by competition, are made upon combination of proportional rates to Chicago plus the local rates to destination. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

Complainant, by its annotation of the shipping instructions, empowered defendant to bill shipments locally. Held, that these shipments were not through shipments, but local shipments, and that correct rate was applied. *American Hay Co. v. C. V. Ry. Co.* 562 (564).

From New England ports to interior points on pig iron from Birmingham, Ala., found unreasonable. *Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co.* 597 (604).

LOCATION. See also ADVANTAGES.

Commission has no authority to equalize by adjustments the commercial or natural advantages of one community over another. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (55).

Refusal of rail carriers to issue through billing in connection with water carriers denies Tampa its natural advantages of location. *Tampa Board of Trade v. L. & N. R. R. Co.* 377 (381).

Geographic location as justification for grouping of points for rate-making purposes. *Lake Superior Paper Co. Ltd. v. D. S. S. & A. Ry. Co.* 403 (406).

To a certain extent carriers are justified in placing competitive markets upon an equal basis. *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663 (672).

LONG AND SHORT HAUL.

Rigid enforcement of the long-and-short-haul clause in the southeast would cause loss of revenue to the carriers of \$16,026,512 for one year. *Fourth Section Violations in the Southeast*, 153 (160).

Rates to intermediate points from New York and eastern points in excess of rates to south Atlantic ports not found unreasonable. *Id.* 153 (178).

Potential competition may justify lower rates to Pensacola than to intermediate points, but the scale applied is not necessitated by the actual competition existing. *Id.* 153 (185).

Rates from New York City to New Orleans, Mobile, and Pensacola, lower than rates to intermediate points, not found unreasonable. *Id.* 153 (188).

The maintenance of lower rates from the Ohio River crossings to south Atlantic ports than to intermediate points, discussed. *Id.* 153 (206).

Rates from eastern cities to Macon, Columbus, and Albany, Ga., found unduly preferential to those cities and unduly prejudicial to intermediate points. *Id.* 153 (266).

Rates from New York City to stations between Selma and Demopolis, Ala., exceed by unreasonable amounts the rates to those cities. *Id.* 153 (273).

Rates from New York City to Hurtsboro, Ala., should not be exceeded at intermediate points on the Seaboard Air Line. *Id.* 153 (273).

Reducing rates to enable Augusta to distribute in competition with Atlanta, and refusing to reduce the rates to other intermediate points constitutes undue preference in favor of Augusta and undue discrimination against intermediate points. *Id.* 153 (277).

Competition of carriers serving other markets of supply does constitute a justification in some instances for making lower rates to more distant points. *Id.* 153 (279).

LONG AND SHORT HAUL—Continued.

No justification for maintenance of lower rates from New Orleans to Macon, Albany, and Columbus, Ga., than to intermediate points. *Id.* 153 (279).

No justification for making lower rates to Albany, Ga., from Ohio River cities than to intermediate points. *Id.* 153 (291).

Rates from Cincinnati and Louisville to Chattanooga should not be exceeded at intermediate points. *Id.* 153 (297).

The fundamental reason for granting relief to any line at a given point is the meeting at that point of the competition of other carriers, against which competition the petitioner is at a disadvantage. *Id.* 153 (304).

No justification for maintenance of lower rates from New York to Atlanta and Athens, Ga., than to intermediate points. *Id.* 153 (305, 308).

No justification for maintenance of lower rates from New York via the Gulf ports to Meridian and Jackson, Miss., than to intermediate points. *Id.* 153 (310).

No justification for maintenance of lower rates from New Orleans to Birmingham, Ala., Atlanta, Athens, Cordele, and Rome, Ga., than to intermediate points. *Id.* 153 (316).

Maintenance of lower rates to Atlanta than to intermediate points from Ohio River cities constitutes undue preference to Atlanta and undue discrimination against intermediate points. *Id.* 153 (325).

No justification for maintenance of lower rates from Ohio River crossings to Birmingham, Ala., Athens, Cordele, and Rome, Ga., than to intermediate points. *Id.* 153 (326).

No justification for maintenance of lower rates from Chicago, St. Louis, or the Ohio River cities to Meridian or Jackson, Miss., than to intermediate points. *Id.* 153 (328).

Carriers whose lines exceed the direct lines by 15 per cent or more, authorized to maintain higher rates to intermediate points. *Id.* 153 (336).

At junction points carriers operating circuitous two-line route met rates of short-line, but at intermediate points they maintained higher rates. *Cement Rates from Mason City*, 426.

Supplement to joint tariff filed through error or inadvertence by carrier acting under power of attorney reducing rates at intermediate points to the level of the junction-point rates. When this was discovered both carriers canceled their joint through rates. *Id.* 426 (427).

Application to continue lower rates to Richmond than to Washington on the several classes of freight from New York and other eastern points denied. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (453).

Rates from Memphis to Ohio River crossings should be lower than the rates from New Orleans, but in view of the great disparity between rates proposed and present rates to intermediate points, authority will not be granted to establish former without regard to increase of discrimination. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (476).

Fourth-section violations both as to points of origin and points of destination would seem to be due to the fact that the rates from New Orleans, Harvey, and Port Chalmette to Brownsville, were originally established to meet water competition. *Brownsville, Tex., Class and Commodity Rates*, 479 (482).

LONG AND SHORT HAUL—Continued.

In class and commodity rates from New Orleans to Brownsville the fourth-section violations are most flagrant at points close to Brownsville. *Id.* 479 (482).

Rates from New Orleans to Laredo, Eagle Pass, and El Paso, like the present rates to Brownsville, exceed those to intermediate points. *Id.* 479 (486).

Carriers that operate between Galveston and Kansas City violate the fourth section by charging higher rates to intermediate points. Rates on Bananas from Gulf Ports, 510 (522).

Carriers by charging higher rates from Galveston to Hutchinson and other Kansas points than to Kansas City, Lincoln, and Omaha, violate the fourth section. *Id.* 510 (522).

Fact that refusal of Commission to approve proposed increase may make it necessary for respondents to reduce the rate from intermediate points in order to remove violations of fourth section, does not justify proposed increase. Lumber Rates to Knoxville, Tenn. 524 (526).

Advances allowed, provided there is no violation of the long-and-short-haul provision of section 4. Molasses Rates to Knoxville, Tenn. 613 (614).

Lines forming routes from Galveston are at a substantial disadvantage in respect to the movement of banana traffic and are entitled to some measure of relief from the long-and-short-haul provision of the fourth section. Rates on Tropical Fruits from Gulf Ports, 621 (628).

Rates from Galveston to Kansas City and other Missouri River points, which are lower than to intermediate points have been reduced to meet competition of bananas imported through New Orleans. *Id.* 621 (628).

Carriers should be permitted to continue to carry rates to all points east of the east bank of the Missouri River the same as are made with relation to the rates from New Orleans, and continue higher rates to intermediate points. *Id.* 621 (628).

To points on and west of the line of the Kansas City Southern Railroad the direct lines from Galveston are at no disadvantage in competing with lines from New Orleans and should not be permitted to charge higher rates to intermediate points. *Id.* 621 (630).

To the territory east of the Kansas City Southern Railroad the distance from Galveston is greater than from New Orleans, and carriers should be permitted to carry lower rates to points in this territory than to intermediate points in order to meet competition of lines from New Orleans. *Id.* 621 (630).

Direct lines from Galveston to the Missouri River denied authority to carry lower rates to the Missouri River than to intermediate points. *Id.* 621 (632).

Carriers allowed to continue higher rates to intermediate points than to more distant points where their lines are not less than 15 per cent longer than the short line between the same points. *Id.* 621 (633).

LONG HAUL. See also LINE HAUL.

Carrier permitted to cancel through rates from points on the O.-W. R. R. & N. Co., to points on or east of the Missouri River via Plummer, Idaho, so as to secure to its lines the longest practicable haul. Lumber Rates from North Pacific Coast Points, 111 (114).

The right of a carrier to retain for itself the long haul on traffic which it originates is well established. Wheeler Lumber Bridge & Supply Co. v. A. T. & S. F. Ry. Co. 343 (344).

LONG HAUL—Continued.

Although Commission has recognized the justice of establishing a higher rate for a short two-line haul than for a one-line haul of equal length, we have not been disposed to consider the necessity for such higher rate as controlling in matter of long-distance hauls. *Omaha Grain Exchange v. N. P. Ry. Co.* 572 (576).

LOSS AND DAMAGE.

An unknown quantity in the transportation of pig iron. *Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co.* 597 (603).

LOW-GRADE COMMODITY.

Per ton-mile yield of more than 7 mills appears to be high. *Ontario Iron Ore Co. v. N. Y. C. & H. R. R. Co.* 566 (570).

Blackstrap molasses is a sugar-cane product of low grade. *Molasses Rates to Knoxville, Tenn.* 613.

LOW RATES.

Rates that are subnormal considered as a ground for relief from long-and-short-haul clause. *Fourth Section Violations in the Southeast*, 153 (169).

Rate on coke to Buffalo is not only not unreasonably high, but on the contrary is low when compared with present rates to eastern Pennsylvania furnaces. *Wickwire Steel Co. v. N. Y. C. & H. R. R. Co.* 415 (424).

MAIN LINE.

Although the movement from Chicago to Terra Cotta is unusually expensive, the rate assessed is no different from that for the less expensive service involved in movements between main line points, as, for example, from Chicago to Woodstock. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

MALTING-IN-TRANSIT.

Barley at Milwaukee and Chicago. *Malt Rates to New Orleans, La.* 587 (590).

MANUFACTURED PRODUCTS.

The theory upon which the carriers make the bituminous coal rates apply to industries is that the inbound service is usually compensated by an outbound haul on manufactured products. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (74).

Flour is an article finished and ready for human consumption, while malt is merely one material used in producing an article of human consumption, i. e., beer. *Malt Rates to Texas Points*, 385 (387).

MAPS.

Portion of Pennsylvania. *Rogers & Prinkey v. B. & O. R. R. Co.* 32 (33). Showing through routes from New York and Jersey City to Baltimore. *Merchants & Mfrs. Asso. v. C. R. R. Co. of N. J.* 396 (398).

Omaha Grain Exchange v. N. P. Ry. Co. 572 (574).

Coal Rates from Virginia Mines, 635 (636).

Seattle Chamber of Commerce v. G. N. Ry. Co. 683 (686).

MARKET COMPETITION. See COMPETITION.**MARKETS.**

Owing to competition, the only possible market for the surplus product of the Oklahoma millers is the southeast through the Memphis gateway. *Wheat Rates from Oklahoma*, 93 (95).

Savannah, Ga., next to Galveston, Tex., is the largest cotton market in the world. Fourth Section Violations in the Southeast, 153 (170).

MARKETS—Continued.

New Orleans is the largest market and milling point for rice, quotations there governing prices throughout the country. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (472).

To relieve congestion at Duane street and facilitate the handling not only of onions, but of all other traffic, the Erie has established the onion market at its Pavonia avenue station in Jersey City. *Onion Rates to New York, N. Y.* 528 (529).

There are more bananas imported through New Orleans than through any other port in the United States. *Rates on Tropical Fruits from Gulf Ports,* 621 (627).

To a certain extent carriers are justified in placing competitive markets upon an equal basis. *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663 (672).

Augusta, Ga., is the next to the largest inland cotton market in the country. *Augusta Cotton Exchange & Board of Trade v. S. Ry. Co.* 704 (705).

MEASURE OF RATES.

Rates fixed by the carrier from no other motive than to obtain a fair compensation for the service rendered are entitled to greater weight than rates which the carrier admits were fixed by it from other motives.

Augusta Cotton Exchange & Board of Trade v. S. Ry. Co. 704 (706).

MEXICAN RATE SITUATION.

Brownsville, Tex., Class and Commodity Rates, 479 (486).

MEXICO.

Storage in transit at El Centro, Cal., on grain from Mexico denied where necessity for such storage lies primarily in political conditions for which carriers are not responsible and over which they have no control. *Newark Grain Co. v. S. P. Co.* 431 (433).

MILEAGE.

The mileage of all roads south of the Ohio and east of the Mississippi rivers is 40,000 miles. The net surplus for the fiscal year 1911 per mile of road was \$917. *Fourth Section Violations in the Southeast,* 153 (162).

MILEAGE RATES.

Mileage scale showing rates on logs to Chattanooga, Tenn., prescribed. *Chattanooga Log Rates,* 36 (37).

Scale of mileage rates on staves and heading from Columbus and Meridian, Miss., Decatur, Ala., and Memphis, Tenn. *Moore Stave Co. v. S. Ry. Co.* 105 (106).

MILLING-IN-TRANSIT. See TRANSIT PRIVILEGES.**MINE RATINGS. See also CAR DISTRIBUTION.**

Defendant disregards all information except the reported number of working places; in each working place it imagines two miners working with a capacity per miner as reported and with this calculation the physical capacity is determined. *McCaa Coal Co. v. C. & C. Ry. Co.* 531 (533).

The best that can be said for these calculations as to physical capacity is that they are arbitrary inflations, which furnish nothing real or tangible. *Id.* 531 (535).

It appears that in most cases about 30 per cent of a mine's present rating would supply that mine all the cars it could load in a day's run. *Id.* 531 (535).

MINIMUM WEIGHT.

Class-E rating on cement silo staves, minimum weight 86,000 pounds prescribed. *Wallingford v. A. T. & S. F. Ry. Co.* 19.

MINIMUM WEIGHT—Continued.

Carrier should not be required to furnish special refrigerator cars unless the carrier be allowed to protect its revenues by requiring a substantial loading sufficient adequately to utilize its equipment. *Minimum Weight on Fresh Meats and Other Commodities*, 349 (350).

Increase in minimum weight from 10,000 to 15,000 pounds on special refrigerated cars from Chicago to southern territory justified, provided a similar increase is made from St. Louis. *Id.* 349 (351).

Minimum weight of 20,000 pounds prescribed for excelsior. *Morris, Johnson, Brown Mfg. Co. v. I. C. R. R. Co.* 443 (445).

We think it unsound in principle to encourage car fitting or use of dunnage in order to secure minimum loads, and to approve of the payment of allowances to offset expenses thus incurred. *Dunnage Allowances*, 538 (546).

MINNESOTA RATE CASE.

Neither the Minnesota statute nor the decision of the Supreme Court established the fare of 2 cents per mile as the maximum lawful fare for travel in an interstate journey within Minnesota. *Trier v. C. St. P. M. & O. Ry. Co.* 352 (354).

MISTAKE. *See ERROR.*

MIXED CARLOADS.

Rates on agricultural implements in car mixtures from Wichita, Kans., to Texas found unduly discriminatory in favor of Kansas City. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 374 (375).

MONOPOLY.

Whether the proposed consolidation of the New York Central and the Lake Shore & Michigan Southern violates the Sherman Anti-Trust Act, is a question to be passed upon by the Department of Justice. *Proposed Bond Issue by N. Y. C. & H. R. R. R. Co.*, 147 (152).

A carrier can not expect wholly to retain traffic from points into which it has first extended. *Omaha Grain Exchange v. N. P. Ry. Co.* 572 (578).

MORTGAGE BONDS.

The New York Central proposes to consolidate with that company the Lake Shore & Michigan Southern, and to refund \$90,573,400 of its Lake Shore collateral 3½ per cent bonds with the consolidated company's 4 per cent mortgage bonds. *Proposed Bond Issue by N. Y. C. & H. R. R. R. Co.*, 147.

NAILS.

Shippers frequently nail their bulkheads and false floors to the car. Carriers should provide dead pieces into which nails may be driven without injury to the car. *New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. R. Co.* 437 (442).

NATURAL ADVANTAGES. *See ADVANTAGES.*

NAVIGABLE RIVERS. *See also WATER TRANSPORTATION.*

Savannah River between Savannah and Augusta, Ga. *Fourth Section Violations in the Southeast*, 153 (260).

Ocmulgee River between Darien and Macon, Ga. *Id.* 153 (263).

NAVIGABLE WATER. *See also WATER TRANSPORTATION.*

Southeastern territory is bounded on all four sides by. *Fourth Section Violations in the Southeast*, 153 (156).

NAVIGATION.

Opening and closing of lake navigation used as an element to justify an increase in rates. *Rates on Iron and Steel Articles*, 337 (338).

NEW RATES.

Clearly, when the proposed rates involve increases or decreases they are new rates, and as to them the Commission's jurisdiction is full and complete by virtue of the second paragraph of section 15. Coal Rates from Oak Hills, Colo., 505 (508).

NOTICE.

Consignees notified of arrival of freight when practice of store-door delivery was discontinued. Merchants & Mfrs. Asso. v. B. & O. R. R. Co. 388 (391).

OPERATING CONDITIONS. *See also* COST OF SERVICE; GRADES.

There is much force in contention that rates from San Francisco should be less than from Portland. Distances are less and the operating conditions are more favorable. California-Colorado Lumber Rates, 461 (463).

OPERATING EXPENSES. *See also* COST OF SERVICE.

The average ratio of operating expenses to operating revenue on the Atlantic Coast Line, the Seaboard Air Line, and the Southern Railway for the year ending June 30, 1912, was 67.51 per cent. Fourth Section Violations in the Southeast, 153 (175).

What is included in. Id. 153 (176).

For approximately one-half the mileage of the large carriers in the United States, operating expenses are now being divided between freight and passenger service. In re Separation of Operating Expenses, 676 (678).

Although not possible 20 years ago, it would appear that at the present time approximately two-thirds of the operating expenses of a railroad can be separated in a reasonably satisfactory manner. Id. 676 (679).

We believe that we should proceed to work out a complete formula for all expenses and require a separation of all expenses on prescribed bases. Id. 676 (680).

ORDER.

Order requiring carriers to reduce intermediate rates to equal junction-point rates denied where joint through rates canceled containing such rates had been filed through error. Cement Rates from Mason City, 426 (429).

Subsequent to order prescribing certain rates on export and domestic grain and flour, carriers filed petition for supplemental hearing on the question of modification of the order. Upon agreement by parties certain rates submitted for actual trial which are herein prescribed. Toledo Produce Exchange v. A. A. R. R. Co. 498 (499).

OUT-OF-POCKET COSTS.

Freight paying less than 3 mills per ton-mile is looked upon by carriers as perhaps paying less than the actual out-of-pocket costs. Fourth Section Violations in the Southeast, 153 (176).

A fair measure of the maximum differential applicable under the peculiar circumstances of this case would bear a fair relation to the out-of-pocket cost which the traffic occasions. Coal Rates from Virginia Mines, 635 (649).

PACKING.

For many commodities the fiber box constructed, packed, and sealed in accordance with the present classification rules will carry as well as the wooden package. Pridham Co. v. S. P. Co. 117 (122).

Defendants' rule limiting the term "boxes" to those constructed entirely of wood or of wood and metal is unjustly discriminatory and unreasonable. Id. 117 (122).

PACKING—Continued.

Some restriction should be placed upon the insecure wooden container. *Id.* 117 (123).

Automobiles, agricultural implements, wire rope, cables, starch, lard pails, pianos, acids and chemicals in carboys, brick, earthenware, stoneware and bakery goods. *Dunnage Allowances*, 538 (540).

It is not only the right but the duty of the carrier to decline shipments which are not so prepared or packed as to render them safe for transportation. *Id.* 538 (542).

In view of the fact that substitution of dunnage for more expensive boxes and crates and other packing material is of advantage to shipper, we think it not inconsistent that the carriers should receive revenue for the total weight hauled. *Id.* 538 (543).

PANAMA CANAL ACT.

The New York Central's relation to lake lines will be considered in connection with cases before the Commission under the Panama Canal Act. *Proposed Bond Issue by N. Y. C. & H. R. R. Co.* 147 (152).

PAPER RATES.

There is no movement of grain to Pittsburgh from Buffalo or any other Lake Erie port. The points to which grain is shipped are in what is known as the Pittsburgh group. *Grain Rates to Pittsburgh*, 382 (383).

Rates on barley to points in Texas are "paper" rates, as there is no substantial movement. *Malt Rates to Texas Points*, 385 (386).

Contention that through rates were "paper rates," not sustained. *Malt Rates to New Orleans, La.* 587 (591).

PARITY OF RATES.

Long-standing parity of rates should not be disturbed. *Fourth Section Violations in the Southeast*, 153 (232).

All of the southern roads make a charge of \$2 from industries on their own rails. No charge is made from the interchange with connections and all connecting-line switching in excess of \$2 per car is absorbed. This has the effect of placing all users of this service upon a parity. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (555).

PARTIES.

Only eleven principal carriers operating in western classification territory are parties defendant while case involves classification rating applicable throughout entire territory. *Wallingford v. A. T. & S. F. Ry. Co.* 19 (20).

PASSENGER FARES.

The Commission can not be controlled in its judgment upon the reasonableness of interstate rates and fares by the independent action of a state legislature or a tribunal not federal. *Trier v. C. St. P. M. & O. Ry. Co.* 352 (355).

While these fares seem high and in excess of the average passenger fares, there are difficulties which make transportation more costly. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (491).

Commutation fares between Washington and Addison and Virginia Highlands, Va., found to result in undue discrimination as compared with commutation fares to other points on same division. *Virginia Highlands Citizens' Asso. v. W.-V. Ry. Co.* 593 (596).

PAST RATES.

The fact standing alone that shipper made investments under an existing rate does not preclude the raising of a rate if same were found unreasonably low. *Chattanooga Log Rates*, 36 (39).

PAST RATES—Continued.

Generally satisfactory rates of long standing should not be disturbed without convincing proof that they are unreasonable. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (52).

Maintenance of present basis of rates from Buffalo and other Lake Erie ports for nearly four years without protest leads to the very reasonable presumption that it has operated without serious prejudice to any community. *Grain Rates to Pittsburgh*, 382 (384).

History of class rates between Baltimore and New York since 1873. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (391).

Group rates from defined eastern and New England territory to Baltimore have been in effect without material change for 27 years and without complaint prior to present proceeding. *Id.* 388 (396).

History of through routes since 1895. *Merchants & Mfrs. Asso. v. C. R. R. Co. of N. J.* 396 (397).

Rates from Philadelphia to Washington have been in effect without change since 1893. *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (449) ; *Judd & Detweiler, Inc. v. B. & O. R. R. Co.* 455 (457).

Fact that rates have been long maintained and that the volume of traffic has increased in recent years raises a strong presumption that they are reasonable and profitable to the carriers. *Rates on Bananas from Gulf Ports*, 510 (515).

Fact that defendant voluntarily maintained the old rates for more than three years tends to show that those rates were reasonable. *Augusta Cotton Exchange & Board of Trade v. S. Ry. Co.* 704 (706).

PEDDLER CARS.

Defined. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (554).

PICK UP AND DELIVERY SERVICE. See STORE-DOOR DELIVERY.**PIG IRON.**

Production in Alabama and Tennessee compared with total production in the United States in 1880 and 1911. *Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co.* 597 (599).

PILFERAGE.

The fiber box, properly sealed, is no more susceptible to pilferage than the wooden box. *Pridham Co. v. S. P. Co.* 117 (122).

PLANT FACILITIES. See also INDUSTRIAL LINES.

The Muncie & Western has no outstanding bonds; its capital is owned by the stockholders of the proprietary glass company, each stockholder of the latter being also a stockholder in the former. *In re Muncie & Western R. R. Co.* 434 (435).

PLEADINGS.

Only eleven principal carriers operating in western classification territory are parties defendant while case involves classification rating applicable throughout entire territory. *Wallingford v. A. T. & S. F. Ry. Co.* 19 (20).

POINTS OFF LINE.

The conditions which induced the blanketing of the mainland points on the carrier's own rails clearly do not argue for the involuntary extension of this basis to the water-locked points which are off their rails. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (369).

POPULATION.

Of all stations on route from New Orleans to Brownsville, excepting New Orleans, is 128,239, of which practically two-thirds live within the city of Houston. *Brownsville, Tex. Class and Commodity Rates*, 479 (484).

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POPULATION—Continued.

It may fairly be questioned whether the same high-rate structure should prevail in a district so thickly populated and in which traffic moves in such quantities as naturally prevails in that part of southern territory which is more sparsely settled and where transportation costs are relatively higher. *Low Moor Iron Co. of Virginia v. C. & O. Ry. Co.* 615 (618).

PORT COMPETITION. See COMPETITION.**PORT-TO-PORT RATES.**

New Orleans and Mobile to Tampa, which are not on file with this Commission result in some cases in combination rates lower than the through all-rail rates from Ohio River crossings. *Tampa Board of Trade v. L. & N. R. R. Co.* 377 (379).

PORTS OF ENTRY.

Galveston as a port of entry for bananas is of little importance as compared with New Orleans. Rates on Tropical Fruits from Gulf Ports, 621 (627).

POTENTIAL COMPETITION. See COMPETITION.**POWER OF COMMISSION. See JURISDICTION.****PRECEDENTS.**

Decision in *Hammerschmidt & Franzen Co. v. C. N. W. Ry. Co.* 30 I. C. C., 71, followed. *Lombard Brick & Tile Co. v. C. & N. W. Ry. Co.* 84 (87).

Decision in *Betcher Lumber Co. v. C. M. & St. P. Ry. Co.*, 26 I. C. C., 335, followed. *Wheeler Lumber Bridge & Supply Co. v. A. T. & S. F. Ry. Co.* 343 (345).

Error of counsel in the citation of certain cases seems to be in taking statement as to the inadequacy or irrelevancy in particular cases of certain matters of defense there urged and concluding therefrom that such matter should be given no weight whatever in any proceeding irrespective of the course or weight of all the proof. *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (423).

Conditions not having materially changed since decision in *Ontario Iron Ore Co. v. N. Y. C. & H. R. R. R. Co.*, 21 I. C. C., 204, rates from Fruitland and Ontario, N. Y., to Earlston, Saxton, and Riddlesburg, Pa., not found unreasonable. *Ontario Iron Ore Co. v. N. Y. C. & H. R. R. R. Co.* 566 (570).

PREFERENCES AND PREJUDICES. See also DISCRIMINATION.**IN GENERAL.**

Section 3, forbidding unjust discrimination, applies as well when one of the hauls is intrastate as when both are interstate. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (139).

Rates not found unduly prejudicial. *Merchants & Mfrs. Asso. v. C. R. R. Co. of N. J.* 396 (402).

With the contention that an issue of discrimination in the sense of preference and prejudice under section 3 of the act can not be considered in a proceeding relating to a rate increased since 1910 we are unable to agree. *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (419).

Rates not found unduly prejudicial. *Morris, Johnson, Brown Mfg. Co. v. I. C. R. R. Co.* 443 (445); *Judd & Detweller, Inc. v. B. & O. R. R. Co.* 455 (460).

ABSORPTION.

If aggregate of rates for line haul and terminal service is reasonable, Commission could not require absorption of terminal charges in absence of showing of unjust discrimination. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (559).

PREFERENCES AND PREJUDICES—Continued.

ARTICLES.

Rates on brooms, as such, are prejudicial as compared with rates on broom corn. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45.

Establishment of joint rates on terminal basis from water-locked points on salmon while denying same to shingles not found to constitute unjust discrimination. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (370).

CAB FURNISHING.

Under system of car distribution employed, mines owned by same interests as defendant railroad were furnished all the cars required during periods of car shortage and high prices. *McCaas Coal Co. v. C. & O. Ry. Co.* 531 (536).

DUNNAGE ALLOWANCE.

Fact that cancellation of dunnage allowance in certain territory, while traffic in other territories served by respondents will have such allowance, and traffic in closed cars will have different treatment than traffic in open cars, held not to effect such discrimination as is forbidden by the statute. *Dunnage Allowances*, 538 (545).

LOCALITIES.

A higher rate on pulp wood from Duluth, Minn., to Wisconsin and Michigan than from Superior, Wis., held to operate an undue preference. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1.

Denial of milling in transit at Marine, Ill., not undue discrimination. *Rates on Grain and Grain Products*, 16.

Rates on logs and lumber from the south to Metropolis, Ill., not to exceed the rates to Cairo, Ill. *Metropolis Commercial Club v. I. C. R. R. Co.* 40 (44).

Rates on brooms not prejudicial to Wichita, Kans., or preferential to other points. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45.

Through rates from mines in Pennsylvania, West Virginia, Ohio, and Kentucky to Elmhurst, Ill., are unduly prejudicial to Elmhurst and unduly preferential to dealers in Proviso and Melrose Park, Ill. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (83).

Through rates on coal from east of Illinois-Indiana state line prejudicial to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill., and preferential to Chicago and Proviso, Ill. *Lombard Brick & Tile Co. v. C. & N. W. Ry. Co.* 84.

Factor of through rate on coal from Galewood to Morton Grove, Ill., not found unduly discriminatory against Morton Grove as compared with other points within, or just beyond, the Chicago switching district. *Bros. Co. v. C. M. & St. P. Ry. Co.* 89 (92).

equalize the alleged discrimination against St. Louis not sufficient for the increase in rates to Memphis. *Wheat Rates* 93 (97).

higher rates on fresh meats and packing-house products from Paul to Chicago than are charged from Austin constitutes discrimination against South St. Paul. *Hormel & Co. v. C. M. & Co.* 98 (102).

petroleum road oil and petroleum tailings from Okmulgee, Okla., S. Mo., and East St. Louis, Ill., found unreasonable and unduly as compared with rates from Vinita, Okla. *American Ry. v. St. L. & S. F. R. R. Co.* 103 (104).

PREFERENCES AND PREJUDICES—Continued.**LOCALITIES—Continued.**

Adjustment of rates from Columbus, Miss., to points in the southeast on substantially same basis as those from Meridian, Miss., and Decatur, Ala., not found unreasonable or unjustly discriminatory. *Moore Stave Co. v. S. Ry. Co.* 105 (107).

Rates on lime, plaster, and plaster products from Seattle and Tacoma, Wash., to points in Oregon, eastern Washington, and Idaho not found unjustly discriminatory as compared with rates from Lime and Gypsum, Oreg. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (139).

Rates found unduly preferential to Macon, Ga., and prejudicial to intermediate points. *Fourth Section Violations in the Southeast*, 153 (266).

Rates unduly preferential to Columbus, Ga., and prejudicial to points intermediate between Macon and Columbus. *Id.* 153 (268).

Rates to Albany, Ga., are unduly preferential in character, and should not be less than to intermediate points. *Id.* 153 (269).

Reducing rates to enable Augusta to distribute in competition with Atlanta, and refusing to reduce the rates to other intermediate points constitutes undue preference in favor of Augusta and undue discrimination against intermediate points. *Id.* 153 (277).

Maintenance of lower rates from New Orleans to Columbus, Ga., than to intermediate points constitutes undue preference. *Id.* 153 (280).

Rates from Ohio River cities to Macon, Ga., are unduly preferential, inconsistent, and out of line with rates to other points similarly situated. *Id.* 153 (290).

There exists at present no competitive reason justifying the continuance at Americus and Cordele, Ga., of rates which are without doubt preferential. *Id.* 153 (309).

Maintenance of lower rates to Atlanta than to intermediate points from Ohio River cities constitutes undue preference to Atlanta and undue discrimination against intermediate points. *Id.* 153 (325).

An increase in minimum weight from Chicago to southern territory, without a corresponding increase from St. Louis, creates an undue discrimination. *Minimum Weight on Fresh Meats and Other Commodities*, 349 (351).

Rates not held unduly prejudicial as between localities. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364.

Contention that carriers having blanketed the entire state of Washington west of the Cascade Mountains and applied terminal rates thereto, while denying them to water-locked points constituted unjust discrimination, not sustained. *Id.* 364 (365, 369).

Rates held unduly prejudicial as between localities. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 374.

Rates on agricultural implements in car mixtures from Wichita, Kans., to Texas found unduly discriminatory in favor of Kansas City. *Id.* 374 (375).

Adjustment of rates on grain from Buffalo to Pittsburgh and points taking same rate not found prejudicial against Toledo and Sandusky. *Grain Rates to Pittsburgh*, 382 (384).

A reduction in rates following cessation of store-door delivery found to be unduly discriminatory against certain cities in favor of Baltimore and Washington would tend to reestablish the same discrimination. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (393).

Rates held not unduly prejudicial as between localities. *Id.* 388 (395).

PREFERENCES AND PREJUDICES—Continued.

LOCALITIES—Continued.

Rates held unduly prejudicial as between localities. *Lake Superior Paper Co., Ltd. v. D. S. S. & A. Ry. Co.* 403.

Rates from Memphis to Ohio River crossings should be lower than the rates from New Orleans, but in view of the great disparity between rates proposed and present rates to intermediate points, authority will not be granted to establish former without regard to increase of discrimination. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (476).

We can not see the justification for increasing the rates which have so long been established and which are not claimed to be unremunerative simply to remove a discrimination caused by advancing rates at competitive points. Rates on Bananas from Gulf Ports, 510 (520).

It would be unduly discriminatory against Hutchinson and Wichita to charge a higher rate on traffic to these points from New Orleans than is charged to Topeka. *Id.* 510 (521).

Rates on fresh meat and packing-house products from Mason City, Iowa, to Chicago not found unreasonable as compared with rates from competing points. *Decker & Sons v. C., M. & St. P. Ry. Co.* 547 (549).

Because the carriers which serve Richmond own a belt line at Norfolk they are not absolved from the obligation to impose their rates without undue discrimination against Richmond. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (557).

Rates on grain from Montana points west of Billings to Omaha should not exceed those contemporaneously in effect to Minneapolis. *Omaha Grain Exchange v. N. P. Ry. Co.* 572 (578).

Rates from points in Montana, North Dakota, and South Dakota to Omaha should not exceed by more than 2 cents the rate from same points to Minneapolis. *Id.* 572 (580).

Rate on tan bark from Delrio, Tenn., to Ashville, N. C., not found unreasonable as compared with rates from points in North Carolina and South Carolina. *Rees' Sons v. S. Ry. Co.* 585.

No element of discrimination in through rates from points in Iowa and South Dakota to New Orleans as compared with through rate from Minneapolis to same destination. *Malt Rates to New Orleans, La.*, 587 (591).

Commutation fares between Washington and Addison and Virginia Highlands, Va., found to result in undue discrimination as compared with commutation fares to other points on the same division. *Virginia Highlands Citizens' Assn. v. W.-V. Ry. Co.* 598 (596).

Rates on flour and grain products from points on the Shenandoah division of the N. & W. Ry. in Virginia and West Virginia to points on the Pocahontas division and Clinch Valley extension in Virginia and West Virginia not found unjustly discriminatory as compared with rates from points in Ohio to same destinations. *Page Milling Co. v. N. & W. Ry. Co.* 605 (612).

on pig iron from southern furnaces to points in New England and the states found unjustly preferential to operators of northern furnaces, and unjustly discriminatory as against their Virginia competitors. *Moor Iron Co. of Virginia v. C. & O. Ry. Co.* 615 (619).

substantial reason exists for charging a lower rate on fencing material from Anderson and other Indiana points to Texarkana than is charged on similar shipments from other points in Chicago-Cincinnati territory. *Chicago Fencing and Fencing Material from Points in Indiana to Texarkana, Ark.-Tex.* 650 (652).

PREJUDICIAL AND PREJUDICES—Continued

Locomotive—Continued

Rates from the main cities to St. Louis. Locomotive notes re: rates from St. Louis to various points as compared with rates to other points. For comparison see: *Mississippi River & Commerce Assn. v. C. & N. W. Ry. Co.* 653 (612).

A comparison of rates from St. Louis and East St. Louis to various points to Kansas City does not necessarily demonstrate that the withdrawal of the respondent's concurrent rate to the rate from St. Louis point would not affect the movement of traffic. *Elevation Allowances at St. Louis and East St. Louis Co. v. C. & N. W. Ry. Co.* 653 (612).

Passes

When receivers of carrier in Birmingham and other points are not terminals as in manufacturing industries the rate may be set to avoid discrimination as applied to all alike. *Hammerhead v. C. & N. W. Ry. Co.* 674 (74).

Rates enforced at New Orleans for the assessment against steamship companies of commodity charges on forest products moving or through export bills of lading not found to unjustly discriminate against shipments moving on local bills of lading for export. *Anderson-Tull v. C. & N. W. Ry. Co.* 674 (74).

Application of commodity rate on shoe sole leather and class rates on leather used in manufacture of harness in Atlanta and Macon, Ga. not found unduly prejudicial to manufacturer of harness. *Chamber of Commerce of Macon v. C. & N. W. Ry. Co.* 477 (475).

PRESUMPTION

Fact that rates have been long maintained and that the volume of traffic has increased is recent years raises a strong presumption that they are reasonable and profitable to the carriers. *Rates of Railroad from Gulf Ports* 311 (315).

PRIVATE SIDINGS

On general traffic rates published in Chicago from the shipping territory generally apply to private siding and industrial delivery trucks. *Hammerhead v. C. & N. W. Ry. Co.* 674 (74).

PROFIT

We have repeatedly held that it was no part of our duty to adjust rates as to enable any industry to do business at a profit to equalize market conditions, or overcome disadvantages not arising from a violation of the statute. *Page Mining Co. v. C. & N. W. Ry. Co.* 653 (612).

PROFIT AND LOSS

The business of defendant for the fiscal year 1915 shows a deficit of \$2,147.15, excluding interest paid on receiver's certificates and discount paid on the same thereof. During the corporate life of the defendant the total deficit is \$40,530.75. *Kanawha Commission of Arkansas v. M. & N. A. R. Co.* 458 (450).

Operations of the Buffalo, Avoca & Arcade Railroad Co. are conducted annually at a deficit and it is urged that this condition is brought about largely through switching arrangement at Arcade which denies it opportunity of participating in incoming and outgoing traffic on basis of division of the rate. *Switching at Arcade, N. Y.* 501 (502).

PROHIBITIVE RATES

The growth of Addison and Virginia Highlands, Va., has been retarded by reason of the fares between Washington and those points. *Virginia Highlands Cuzew's Assn. v. W.-V. Ry. Co.* 593 (595).

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PROPORTIONAL RATES.

Withdrawal of, via circuitous line, justified. Rates on Grain and Grain products, 16 (17).

Established by steamship company from New Orleans to Tampa on traffic from west of the Mississippi River. Tampa Board of Trade v. L. & N. R. Co. 377 (378).

From Peoria, Ill., publish proportional rates from their Mississippi river crossings to interior Iowa equal to the amount which the proportional rates exceed the local rate to Chicago thus equalizing rates via these routes and enabling carrier which has not a direct line to participate in the traffic. Proportional Rates on Coal, 465.

Cancellation of proportional rates from Peoria would divert traffic through Chicago and deprive dealer at Peoria of obtaining reconsigning privilege. L. 465 (466).

Authority to reduce the unreasonable through rate by reducing the excessive proportional rate is beyond question. Malt Rates to New Orleans, L. 587 (590).

PROPRIETY.

Term "propriety", as used in section 15, does not limit the Commission considering only the reasonableness of the rate without reference to other considerations entering into its propriety; such as the reasonableness per se, its relative reasonableness, or its preferential or prejudicial character. Wickwire Steel Co. v. N. Y. C. & H. R. R. Co. 415 (420).

PROFITABILITY.

Line steamers in the last ten years have paid cash dividends aggregating 113 per cent, and have declared a stock dividend of 50 per cent. Break-Bulk Rates on Grain, 357 (362).

PROFIT OF INTEREST.

Construction of the road has caused the development of the country through which it runs, and the interest of the territory requires that the road be operated, receiving sufficient returns to enable it to meet fully its obligations to the people whom it serves. Railroad Commission of Arkansas v. M. & N. A. R. R. Co. 488 (491).

Southern lines would apply the restricted theory wherever they can and would conform to a different practice at places whose policy they do not seriously influence. Richmond Chamber of Commerce v. S. A. L. Ry. 552 (558).

PULPWOOD.

Distinction made between "pulpwood" and "wood for pulp." Curry & Whyte Co. v. D. & I. R. R. Co. 1 (12).

RAIL-AND-WATER RATES. See also WATER COMPETITION; WATER TRANSPORTATION.

It is customary for rates via rail-and-water routes to be somewhat lower than the all-rail rates. Tampa Board of Trade v. L. & N. R. R. Co. 377 (381).

Freight rates from Louisiana points to New Orleans, shown. Memphis Freight Bureau v. L. C. R. R. Co. 471 (474).

Iron from Birmingham to Boston. Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co. 597 (603).

RAILROAD COMPETITION. See COMPETITION.

RAW MATERIAL. See also MANUFACTURED PRODUCTS.

Principle of rate making which determines the measure of inbound rates on raw material by the compensation received for subsequent independent movements of outbound manufactured products not a correct one. Curry & Whyte Co. v. D. & I. R. R. Co. 1 (12).

REASONABLENESS OF RATES. See also **ADVANCE IN RATES**; **MEASURING OF RATES.**

IN GENERAL

The plain, unmistakable requirement of the law is that this through freight shall be subject to just, reasonable, and nondiscriminatory through rates
Hammerschmidt & Fransen Co. v. C. & N. W. Ry. Co 71 (N^o)

A rate or fare that is merely nonconfiscatory may fall short of one which is entirely just and reasonable. *Trier v. C. N. P. M. & O. Ry. Co.* 352 (355).

The practice of absorbing or refusing to absorb switching charges must be both reasonable and nondiscriminatory. Richmond Chamber of Commerce v. S. A. L. Ry. 552 (556).

We do not find that merely because per-car-mile earnings on defendant's product are higher than average per-car-mile earnings on all lines of defendant's lines that the rates are unreasonable. *Chicago Term. Cas. v. N. Y. C. & H. R. R. Co.* 508 (509).

Specific Instances.

Rates held unreasonable. Curry & Whyte Co 4 10 § 1 10 10 10 10
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Rates not held unreasonable *Wichita Union* 100
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587; Virginia Highlands Cattle Co. v. N. W. Ry. Co. 100
ing Co. v. N. & W. Ry. Co. 100
Ports, 621; Seattle Chamber of Commerce v. N. W. Ry. Co. 100

RECIPROCAL SWITCHING. See also SWITCHING

Mutual scheme for effecting switching between stations in the district is based upon a schedule of terminal charges, under which the terminal carriers switch for one another at set intervals, and pay for or charges which are fixed regardless of the extent or kind of the service performed. Hammerschmidt & Brunner, Inc. v. N. W. Ry. Co. (78).

RECIPROCAL SWITCHING—Continued.

We find no reason to hold with the Soo line that before the Grand Trunk may be allowed to receive its reciprocal charge upon this particular commodity, "it must show us the figures." *People's Fuel & Supply Co. v. G. T. W. Ry. Co.* 657 (661).

In the absence of the condition of reciprocity the attempt, of course, is to make the charge an adequate one for the service furnished. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (692).

RECIPROCAL TRANSFERS.

Reciprocal transfers between the Washington-Virginia Ry. Co., and the Washington Railway & Electric Co., discussed. *Virginia Highlands Citizens' Asso. v. W.-V. Ry. Co.* 593 (596).

RECONSIGNMENT.

Cancellation of proportional rates from Peoria would divert traffic through Chicago and deprive dealer at Peoria of obtaining reconsigning privilege. *Proportional Rates on Coal*, 465 (466).

By payment of \$2 per car, same, or an equal weight of other hay could be sent to destination at balance of through rate. *American Hay Co. v. C. V. Ry. Co.* 562.

To obtain through rate with reconsignment privilege, local usage required that complainant write "own billing" on bill of lading. *Id.* 562 (563).

REDUCTION IN RATES.

The State of Maryland endeavoring to improve its roads not entitled, under section 22, to reduced rates on crushed stone. *Rates on Crushed Stone*, 22 (24).

Through rates from points east of Illinois-Indiana state line to Lombard, Glen Ellyn, Wheaton, and West Chicago, Ill., should be so reduced as to bring them in line with the through rates to Elmhurst, Ill. *Lombard Brick & Tile Co. v. C. & N. W. Ry. Co.* 84 (87).

A reduction in rates following cessation of store-door delivery found to be unduly discriminatory against certain cities in favor of Baltimore and Washington would tend to reestablish the same discrimination. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (393).

It is the custom of the Commission to suspend new rates when it appears that they will create unlawful discrimination. Some tariffs providing for reduced rates to many points have been suspended solely upon the ground of discrimination. *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (420).

Should it be admitted that a reduction in rate ordinarily means an increase of travel, in view of the peculiar circumstances and location of Eureka Springs, it is not probable that reduction would materially increase the total passenger traffic. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (491).

Authority to reduce the unreasonable through rate by reducing the exceptional rate is beyond question. *Malt Rates to New Orleans*, 510 (516).

Minimum weight from 10,000 to 15,000 pounds on special rates from Chicago to southern territory justified, provided a case is made from St. Louis. *Minimum Weight on Fresh Her Commodities*, 349 (351).

Additional expense in the nature of extra switching and train charges on Bananas from Gulf Ports, 510 (516).

REFRIGERATOR CASE

Amount of loss interest refrigerator case at 5% from Jan 1 to Jan 1, 1916.
 Rates on Refrigerator from Jan 1 to Jan 1, 1916.

REHEARING - See also INTERNATIONAL HARVEST

Granted and further rehearing denied. *Harvest v. C. & N. W. Ry. Co.* 35 (10).

Case suspended on petition of respondent. *Harvest v. C. & N. W. Ry. Co.* 35 (11).

Order in original case affirmed and rehearing denied. *Harvest v. C. & N. W. Ry. Co.* 35 (12).

Allegation of error in original report not sustained and rehearing denied. *Harvest v. C. & N. W. Ry. Co.* 35 (13).

RELATIVE ALLEGEDLY - See also ALLEGEDLY OF RATE RELATIVE RATES

Proposed rates on wheat from Iowa River to St. Paul will not result in an undue discrimination between them and other wheat-shipments in same general territory. *Harvest v. C. & N. W. Ry. Co.* 35 (14).

Rates from the San Joaquin River to Chicago are not out of harmony with those from the Wisconsin River. *Harvest v. C. & N. W. Ry. Co.* 35 (15).

Rates on bananas from California compared with rates from New Orleans. *Rates on Bananas from Gulf Ports* 35 (16).

Fact that Commission suggested change in existing rates for comparatively shorter haul would not result in undue discrimination for carrying justice of establishing equal rates where distances are substantially equal. *Omaha Grain Exchange v. N. W. Ry. Co.* 35 (17).

Object of proposed increase was to put the Chicago-New Orleans rate in line with other rates in same general territory. *Mail Rates to New Orleans* 35 (18).

RELATIVE RATES - See also ALLEGEDLY OF RATES: COMPARATIVE RATES: PREFERENCES AND PRIVILEGES: RELATIVE ALLEGEDLY

Rates on logs in Champaign over A. G. S. compare favorably with rates over other roads and with rates for similar distances to Memphis, Nashville, and Ohio River crossings. *Champaign Log Rates* 36 (20).

Rates on logs and lumber from the south to Metropolis, Ill., not to exceed the rates to Cairo, Ill. *Metropolis Commercial Club v. I. C. R. R. Co.* 40 (42).

Defendant should establish rates on lumber and logs from groups described lying west of the Mississippi River to Metropolis, Ill., not more than one cent higher than to Cairo, Ill. *Id.* 40 (43).

That portion of the through rate on logs from Paducah, Ky., to Metropolis, Ill., when to be milled at Metropolis should not exceed that portion of a through rate from East Cairo, Ky., to Cairo, Ill., when to be milled at Cairo. *Id.* 40 (44).

Rates from California to Nevada compared with rates to Oregon. *Rates on Fruits and Vegetables* 56 (61).

Rates from California to Arizona compared with rates to Oregon. *Id.* 56 (60).

Rates from Los Angeles and San Francisco to Arizona points compared with rates from same destinations to points in Colorado, Wyoming, Utah, and Montana. *Id.* 56 (70).

Factor of through rate on coal from Galewood to Morton Grove, Ill., not found unduly discriminatory against Morton Grove as compared with other points within, or just beyond, the Chicago switching district. *Poehlman Bros. Co. v. C. M. & St. P. Ry. Co.* 80 (82).

RELATIVE RATES—Continued.

Oklahoma millers are not interested in the relative rates between St. Louis and Memphis; they are concerned only in the Memphis rate. *Wheat Rates from Oklahoma*, 93 (95).

Exaction of higher rates on fresh meats and packing-house products from South St. Paul to Chicago than are charged from Austin constitutes unjust discrimination against South St. Paul. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (102).

Rates on petroleum road oil and petroleum tailings from Okmulgee, Okla., to St. Louis, Mo., and East St. Louis, Ill., found unreasonable and unduly prejudicial as compared with rates from Vinita, Okla. *American Refining Co. v. St. L. & S. F. R. R. Co.* 103 (104).

Adjustment of rates from Columbus, Miss., to points in the southeast on substantially same basis as those from Meridian, Miss., and Decatur, Ala., not found unreasonable or unjustly discriminatory. *Moore Stave Co. v. S. Ry. Co.* 105 (107).

Rates on lime, plaster, and plaster products from Seattle and Tacoma, Wash., to points in Oregon, eastern Washington, and Idaho compared with rates from Lime and Gypsum, Oreg., to Portland, Oreg., and other points. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135.

Class rates made via New York, rail and ocean, from interior stations to south Atlantic ports compared with all-rail rates between same points. *Fourth Section Violations in the Southeast*, 153 (171).

All-rail and water-and-rail rates from New York to south Atlantic ports compared with rates to Chattanooga, Atlanta, Montgomery, and Birmingham. *Id.* 153 (173).

Rates from New York to south Atlantic ports are not lower than the rates for like distances in trunk line territory. *Id.* 153 (174).

Average rates for distances from 300 to 750 miles in southeastern territory over a one-line haul and over a haul of two or more lines compared with all-rail rates from New York to south Atlantic ports. *Id.* 153 (174).

Rates from New Orleans to south Atlantic ports and Tampa compared with rates to strongly competitive points in southeastern territory over like distances. *Id.* 153 (194).

Rates from New Orleans to all points between Atlanta and Augusta are 4 cents per 100 pounds less than the rates on corresponding classes from Ohio River crossings. *Id.* 153 (277).

Rates from New York and Ohio River cities to Macon, Ga., compared with rates from Mississippi River crossings. *Id.* 153 (278).

Rates on iron and steel articles from Chicago to eastern Iowa compared with the rates from Chicago to St. Paul. *Rates on Iron and Steel Articles*, 337 (338).

Rates from Chicago to Iowa points compared with fifth-class rates in central freight association territory for similar distances. *Id.* 337 (340).

Class rates from defined eastern and New England territory to Baltimore not found unreasonable or unjustly discriminatory as compared with rates between various other points. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (395).

Rates via circuitous lines not found unreasonable or unjustly discriminatory as compared with rates in effect via direct lines. *Merchants & Mfrs. Asso. v. C. R. R. Co. of N. J.* 396 (402).

RELATIVE RISK—Continued

Considering general conditions of transportation in Western Europe and
Illinois from 1900 to 1910, the fact that the rate of increase in the
low as compared with those of the East. This is also indicated by the
comparatively low revenue per mile of road. Some Western Paper Co.
and S. I. E. & C. Co. are the only ones.

Although the distance from the eastern limit of these distributions, including Pittsburgh, is not greater than that from the sea, the trends are almost horizontal, and at 41.5°.

Rates on above were higher than the rates on other lines and were
being found to be excessive and were being reduced by an amount of 10%
from the 1st of May 1941 to the 1st of June 1941.

[illegible]

Comparison of former text with Commission's recommendations of those changes in the statute as "a matter of convenience." That such a matter may be considered in any proceeding where the Commission regarding the termination of a case can not be validly questioned. WATKINS-HILL (L. 1000) & E. E. R. R. Co. 1921.

Rate on cable is London 1.20 and 100 approximately high but on the ex-
change is low which could not well prevent there is eastern Pennsylvania
surrounds it all day

Shippers of potatoes from western New York are not subjected to greater expense than is made in Alaska and they are at least upon an equal footing with shippers from Minnesota and Wisconsin. New York Shippers Protective Assn. - 15 E. & E. E. E. E. Co. 427 (440).

Rates of exchange from Europe low in Chicago and Peoria, Ill., and
 St. Louis, Mo., and American River points compared with rates from St.
 Paul, Minn. Market somewhat better. High (A. T. I. C. E. E. Co. 443
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Rates from New York and Boston to Washington, D. C., compared with rates from New York to Chicago. Committee of Commerce of Washington v. E. & O. R. R. Co. 544 546; Judd & Lohmeyer, Inc. v. E. & O. R. R. Co. 425 426

Rates from Boston, New York and New Haven, to Washington, D. C., compared with rates to Richmond by Chairman of Commerce of Washington
 r. E. & C. E. E. Co 445 4200.

There is much talk in the community that rates from San Francisco should be less than from Portland. Differences are made and the operating conditions are more favorable. (Portland Oregon Journal News, 401 (403)).

Rates from Minneapolis to Ohio River crossings should be lower than the rates from New Orleans but in view of the great disparity between rates proposed and present rates to intermediate points, authority will not be granted to establish lower rates without regard to increase in discrimination. Minneapolis freight rates L. E. 14, M. & N. 471 (475).

Bales from New Orleans, Harvey and Port Charles to Brownsville, Tex., are at today's market for about 10 to 15 hundredths lower, and in others slightly higher than those to Texas common points. Brownsville, Tex., came and yesterday's market 4 1/2 (4 1/2).

Rates from New Orleans to Brownsville compared with rates to San Antonio, and rates from St. Louis to Brownsville. Id. 479 (485).

Bates from New Orleans to Brownsville compared with those from New Orleans, Eagle Pass, and El Paso, Tex. LA 479 (488).

RELATIVE RATES—Continued.

Rate from Chicago to Milwaukee is governed largely by lake competition and is, therefore, not properly comparable with a rate to an interior point. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

Factor of through rate from Chicago to Terra Cotta compared with rate from Milwaukee and other points in Wisconsin to short-haul destinations, and shows that the Wisconsin rates are materially higher for equal distances than rates in Illinois. *Id.* 492 (493).

Although the movement from Chicago to Terra Cotta is unusually expensive, the rate assessed is no different from that for the less expensive service involved in movements between main line points, as, for example, from Chicago to Woodstock. *Id.* 492 (493).

Rates on phosphate rock from Mount Pleasant and Centerville, Tenn., to Shreveport, La., not found unreasonable as compared with rates from Nashville, Tenn., to Shreveport, established through error. *Meridian Fertilizer Factory v. L. & N. R. R. Co.* 494 (495).

Rates on phosphate rock from Mount Pleasant and Centerville, Tenn., to Shreveport, La., not found unreasonable as compared with rate to New Orleans, established to meet rates from Florida points to New Orleans via rail and water. *Id.* 494 (495).

Rates on coal from Oak Hills, Colo., compared with rates from Walsenburg district. *Coal Rates from Oak Hills, Colo.*, 505 (506).

If Walsenburg rates can be voluntarily applied by the Rock Island from Oak Hills to any point east of Limon, there is no good reason why such rates should not be applied to all points involved east of Limon. *Id.* 505 (509).

Rate on bananas from New Orleans to Topeka should not exceed the rate to Kansas City by more than 8 cents per 100 pounds, and should not be higher than rate to Lincoln and Beatrice. *Rates on Bananas from Gulf Ports*, 510 (519).

It would be unduly discriminatory against Hutchinson and Wichita to charge a higher rate on traffic to these points from New Orleans than is charged to Topeka. *Id.* 510 (521).

Differential of 2 cents over Chattanooga from points on the Mobile division of the Southern Railway to Knoxville, Tenn., not found unreasonable. *Lumber Rates to Knoxville, Tenn.* 524.

Rates from points in Alabama to Chattanooga, Tenn., compared with rates from Georgia points south of Macon. *Id.* 524 (525).

Differential of 3 cents over Chattanooga from points between Selma, Ala., and Meridian, Miss., to Knoxville, Tenn., not found unreasonable. *Id.* 524 (526).

Rates on fresh meat and packing-house products from Mason City, Iowa, to Chicago, compared with rates from other Iowa points and points in Minnesota. *Decker & Sons v. C. M. & St. P. Ry. Co.* 547 (548).

Rates established by the Commission on fresh meat and packing-house products from southwest to points east of Mississippi River are about 100 per cent greater than rate from Mason City, Iowa, to Chicago. *Id.* 547 (549).

Switching charges at Richmond, Va., compared with Norfolk, Va., Memphis, Tenn., Louisville, Ky., Cincinnati, Ohio, and St. Louis, Mo. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (553).

RELATIVE RATES—Continued.

- Rates on iron ore from Fruitland and Ontario, N. Y., to Emporium, Chertow, Milesburg, Bellefonte, Earlston, Saxton, and Riddleburg, Pa., compared with rates from Buffalo and Benson Mines, N. Y., to same points. *Ontario Iron Ore Co. v. N. Y. C. & H. R. R. Co.* 586 (588).
- Inasmuch as all the points west of Billings are substantially equidistant from Minneapolis and Omaha, and no adequate countervailing considerations appear of record the same rule should apply to them all. *Chicago Grain Exchange v. N. P. Ry. Co.* 572 (576).
- Rates from points in Montana, North Dakota, and South Dakota to Chicago should not exceed by more than 2 cents the rate from same points to Minneapolis. *Id.* 572 (580).
- Rate on tanbark from Delrio, Tenn., to Asheville, N. C., not found unreasonable as compared with rates from points in North Carolina and South Carolina. *Rees' Sons v. S. Ry. Co.* 585 (586).
- Rates from Minneapolis to New Orleans not found unreasonable as compared with rates fixed by the Commission from Chicago, Milwaukee and Minneapolis to Fort Worth, Tex. *Malt Rates to New Orleans* 14 589 (589).
- Commutation fares between Washington and Addison and Virginia Highlands, Va., found to result in undue discrimination as compared with commutation fares to other points on same division. *Virginia Highlands Citizens' Asso. v. W.-V. Ry. Co.* 593 (596).
- Average distance, average rate per net ton, and average rate per net ton per mile on pig iron from Birmingham district to Ohio River and points in c. f. a. territory compared with other pig iron producing districts. *Sloss-Sheffield Steel & Iron Co. v. L. & N. R. R. Co.* 601 (602).
- Rates on flour and grain products from points on the Shenandoah division of the N. & W. Ry., in Virginia and West Virginia to points on the New-Hontas division and Clinch Valley extension in Virginia and West Virginia compared with rates from points in Ohio to same destinations. *Page Milling Co. v. N. & W. Ry. Co.* 605 (606).
- Rates on pig iron from points in Virginia to Baltimore, Philadelphia, New York, Stamford, and Boston compared with rates from competing points in New York, Pennsylvania, and Ohio to same destinations. *Low Moor Iron Co. of Virginia v. C. & O. Ry. Co.* 615 (616).
- The per ton-mile rate received by the northern lines for the carriage of pig iron from northern competing furnaces is much less than the per ton-mile rate received for the carriage of competing traffic from southern furnaces. *Id.* 615 (617).
- Rates that are just and reasonable as between points in northern territory are not necessarily just and reasonable as between points in that region and points in southern territory. *Id.* 615 (618).
- Rates from Virginia furnaces to Baltimore, Philadelphia, and New York, are from 20 to 50 per cent higher than the rates from other representative furnaces, such as Birmingham, Ala., east of the Mississippi River to points ranging from 250 to 750 miles. *Id.* 615 (619).
- Ton-mile rates on pig iron from Virginia points to Cincinnati, Chicago, and St. Louis, are much lower than ton-mile rates from same points to points in New England and middle states. *Id.* 615 (620).
- Carriers should be permitted to continue to carry rates to all points east of the east bank of the Missouri River the same as or made with relation to the rates from New Orleans, and continue higher rates to intermediate points. *Rates on Tropical Fruits from Gulf Ports*, 621 (623).

RELATIVE RATES—Continued.

Rates from Middlesboro-Jellico and St. Charles mines to points north of Ohio River compared with rates from the Kanawha mines. Coal Rates from Virginia Mines, 635 (639).

A maximum differential of 10 cents per ton over the Middlesboro-Jellico mines would be just and reasonable to points north of the Ohio River within 400 miles of St. Charles, Va. Beyond that the differential should decrease not less than 1 cent for each additional 100 miles. Id. 635 (649).

Rates from mines at Appalachia and Benham should not exceed the rates from the Middlesboro-Jellico group to points north of the Ohio River by more than 10 to 25 cents per ton. Id. 635 (640).

No substantial reason exists for charging a lower rate on fencing material from Anderson and other Indiana points to Texarkana than is charged on similar shipments from other points in Chicago-Cincinnati territory. Rates on Fencing and Fencing Material from Points in Indiana to Texarkana, Ark.-Tex. 650 (652).

Class rates from Minneapolis to points in South Dakota compared with rates for like distances prescribed by the states of South Dakota, Minnesota, and Iowa. Minneapolis Civic & Commerce Assn. v. C. M. & St. P. Ry. Co. 663 (664).

Rates from Minneapolis and St. Paul to points in North Dakota and South Dakota are on the average about 45 per cent higher first class than rates for equal distances from Chicago and Milwaukee to points in Minnesota, Iowa, and South Dakota. Id. 663 (665).

First-class rates from Minneapolis to points in South Dakota and North Dakota compared with first-class rates from Chicago and other competing markets. Id. 663 (666).

Switching charges of G. N. Ry. Co., on lumber and shingles from Ballard to Seattle compared with the car-barge rates of the C. M. & St. P. Ry. Co., between the same points, and similar service at Tacoma. Seattle Chamber of Commerce v. G. N. Ry. Co. 683 (693).

Rates on cotton from points in South Carolina to Augusta, Ga., compared with rates to Columbia and Charleston, S. C., and Savannah, Ga. Augusta Cotton Exchange & Board of Trade v. S. Ry. Co. 704.

RENTAL.

Paid to proprietary glass company by Muncie & Western for right of way and certain tracks within the plant. In re Muncie & Western R. R. Co., 434 (435).

REPARATION. See DAMAGES.**REPORTS.**

If sufficient progress can be made in the perfection of the circular, carriers will be asked to file a special report for the year ending June 30, 1915, showing the separation between freight and passenger expenses. In re Separation of Operating Expenses, 676 (682).

DATA.

Commission is not bound by any rule of stare decisis, its conclusions res judicata. Curry & Whyte Co. v. D. & I. R. R. Co. 1 (3).

RATES. See also RECONSIGNMENT.

Not sufficient to enable Commission to determine reasonableness of rates requiring shippers of grain to surrender expense bills in order to benefit of reshipping rates from St. Louis and East St. Louis to and trunk line territories. Merchants Exchange of St. Louis v. R. R. Co. 700.

RETURN MOVEMENT.

It is not proper to set up as an item of expense mileage on the car both ways without crediting the mileage earned on cars returned under load. Rates on Bananas from Gulf Ports, 510 (518).

REVENUE. See also CAR-MILE EARNINGS; TON PER MILE.

Large revenues from other traffic afford no reason for prescribing less than reasonable rates on pulpwood. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1 (6).

Carrier should be permitted to withdraw from a circuitous route if it does not obtain reasonable compensation. Rates on Grain and Grain Products, 16 (17).

Rigid enforcement of long-and-short-haul clause in the southeast would cause loss of revenue to the carriers of \$16,026,512 for one year. Fourth Section Violations in the Southeast, 153 (160).

The average ratio of operating expenses to operating revenue on the Atlantic Coast Line, Seaboard Air Line, and Southern Railway for the year ending June 30, 1912, was 67.51 per cent. *Id.* 153 (175).

Rates all-rail and water-and-rail from New York to south Atlantic ports result in some net revenue to the carriers and do not result in an increased burden upon traffic to and from intermediate points. *Id.* 153 (177).

Earnings of rail carriers are less on break-bulk grain than upon grain carried across the lake by the car ferries. Break-Bulk Rates on Grain, 357 (358).

Per mile of railroad for P. M., Erie, Lake Shore and Pennsylvania companies. *Id.* 357 (362).

The net operating revenue per mile of road of defendants was shown to be \$982.55 for 1912 and \$1,034.44 for 1913, or less than one-half of the average for lines in the southwest. *Brownsville, Tex., Class and Commodity Rates*, 479 (484).

The construction of the road has caused the development of the country through which it runs, and the interest of the territory requires that the road be operated, receiving sufficient returns to enable it to meet fully its obligations to the people whom it serves. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (491).

Urged by complainant that the reduction of fare would result in an increase of revenue. *Id.* 488 (491).

The record leaves us under the impression that respondent is entitled to more revenue than it now gets on traffic handled to and from Arcade, Switching at Arcade, N. Y. 501 (504).

RISK.

Little, if any, risk of waste or damage in transit to either pulpwood or saw logs. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1 (8).

Malt loads more heavily than flour, and this is reflected in the minimum carload weights. It is less subject than flour to loss and damage in transit. *Malt Rates to Texas Points*, 385 (387).

News print paper is a desirable article for transportation; loss and damage claims negligible. *Lake Superior Paper Co., Ltd. v. D. S. S. & A. Ry. Co.* 403 (408).

Is one of the elements entering into the present day rate fabric. *Dunnage Allowances*, 538 (542).

Innumerable classifications and tariffs throughout the country contain packing and shipping requirements which can have no other justification than the right of the carrier to require the use of substantial and suitable containers and the elimination of hazard. *Id.* 538 (542).

ROUTES.

All-rail and water-and-rail between New York City and south Atlantic ports. Fourth Section Violations in the Southeast, 153 (162).

All-rail and water-and-rail between New York City and Pensacola, Mobile, and New Orleans. *Id.* 153 (179).

Objection against closing certain gateways was the possible effect it might have in the matter of securing equipment because of return loading agreements under which cars must be routed directly to the home line. Not sufficient where movement is restricted via gateway of natural route. California-Colorado Lumber Rates, 461 (463).

The Grand Trunk route to Milwaukee does not meet the needs of the fruit shippers west of Grand Rapids. *Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co.* 653 (656).

SEASON RATES.

Opening and closing of lake navigation used as an element to justify an increase in rates. Rates on Iron and Steel Articles, 337 (338).

SECTION 1. See also REASONABLENESS OF RATES.

Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co. 71 (73); *Lombard Brick & Tile Co. v. C. & N. W. Ry. Co.* 84 (85); *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 374; *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (419); *Newark Grain Co. v. S. P. Co.* 431 (432); *Dunnage Allowances*, 538 (543); *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663; *Elevation Allowances at St. Louis and East St. Louis*, 696 (697).

SECTION 2. See also DISCRIMINATION.

Wichita Business Asso. v. A. T. & S. F. Ry. Co. 374; *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (558).

SECTION 3. See also PREFERENCES AND PREJUDICES.

Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co. 71 (73); *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (139); *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 374; *Lake Superior Paper Co., Ltd., v. D. S. S. & A. Ry. Co.* 403 (404); *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (419); *Switching at Arcade, N. Y.*, 501 (503); *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (559); *Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co.* 653 (655); *Minneapolis Civic & Commerce Asso. v. C. M. & St. P. Ry. Co.* 663; *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (690).

Discrimination predicated upon the maintenance of a different basis of rates by one road or set of roads serving two competent points falls within section 3. *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (422).

SECTION 4. See also LONG AND SHORT HAUL; THROUGH AND LOCAL RATES.

Fourth Section Violations in the Southeast, 153 (157); *Trier v. C. St. P. M. & O. Ry. Co.* 352 (354); *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (419); *Cement Rates from Mason City*, 426; *Chamber of Commerce of Washington v. B. & O. R. R. Co.* 446 (447); *California-Colorado Lumber Rates*, 461 (462); *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (472); *Brownsville, Tex., Class and Commodity Rates*, 479 (482); *Meridian Fertilizer Factory v. L. & N. R. R. Co.* 494; *Rates on Bananas from Gulf Ports*, 510 (522); *Lumber Rates to Knoxville, Tenn.*, 524 (526); *Molasses Rates to Knoxville, Tenn.*, 613 (614); *Rates on Tropical Fruits from Gulf Ports*, 621; *Trier v. C. St. P. M. & O. Ry. Co.* 707 (709).

SECTION 4—Continued.

The fundamental reason for granting relief to any line at a given point is the meeting at that point of the competition of other carriers, against which competition the petitioner is at a disadvantage. Fourth Section Violations in the Southeast, 153 (304).

SECTION 6.

Trier v. C. St. P. M. & O. Ry. Co. 352 (354).

SECTION 12.

Wickwire Steel Co. v. N. Y. C. & H. R. R. Co. 415 (424).

SECTION 15. See also ALLOWANCES; CLASSIFICATION; THROUGH RATES; THROUGH ROUTES.

Rates on Crushed Stone, 22 (24); Rates on Lumber and Other Forest Products, 371 (372); Wickwire Steel Co. v. N. Y. C. & H. R. R. Co. 415 (419); Cement Rates from Mason City, 426 (429); Coal Rates from Oak Hills, Colo., 505 (507); Milwaukee Produce & Fruit Exchange v. Crosby Transportation Co. 653 (655); People's Fuel & Supply Co. v. G. T. W. Ry. Co. 657 (660).

Construed. Lumber Rates from North Pacific Coast Points, 111 (113).

SECTION 22.

The State of Maryland endeavoring to improve its roads not entitled to reduced rates on crushed stone. Rates on Crushed Stone, 22 (24).

SHERMAN ANTI-TRUST ACT

Whether the proposed consolidation of the New York Central and the Lake Shore & Michigan Southern violates the Sherman Anti-Trust Act, is a question to be passed upon by the Department of Justice. Proposed Bond Issue by N. Y. C. & H. R. R. Co. 147 (152).

SHORT HAUL.

Upon a short haul the per-ton-mile test has, as a rule, very little evidentiary value. Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co. 71 (78).

SOUTHEASTERN TERRITORY.

Is bounded on all four sides by navigable water and on the north also by strong lines of railroad of high traffic density maintaining rates materially lower than the southern lines can usually afford to accept. Fourth Section Violations in the Southeast, 153 (156).

SOUTHERN CLASSIFICATION MILEAGE.

The mileage of all roads south of the Ohio and east of the Mississippi rivers is 40,000 miles. Fourth Section Violations in the Southeast, 153 (162).

SPECIAL RATES.

Proposed rate merely cancels a special rate to one destination, and puts blackstrap to Knoxville upon the rate plane governing that commodity in all southeastern territory. Molasses Rates to Knoxville, Tenn. 613 (614).

SPECIAL SERVICE. See also ADDITIONAL SERVICE.

It is difficult to see how a carrier can justify the giving of special service to a single shipper, unless it be upon the ground that the cost of the service is to such an extent reduced that it can properly, in the protection of its own just interest, tender the tariff. Minimum Weight on Fresh Meats and Other Commodities, 349 (350).

SPREAD OF RATES. See also ADJUSTMENT OF RATES.

Spread between class rates from New York and Boston to Washington is not abnormal. Chamber of Commerce of Washington v. B. & O. R. R. Co. 446 (449); Judd & Detweiler, Inc. v. B. & O. R. R. Co. 455 (457).

STARE DECISIS. *See RES ADJUDICATA.*

STATE AND INTERSTATE. *See also STATE RATES.*

Section 3, forbidding unjust discrimination applies as well when one of the hauls is intrastate as when both are interstate. *Pacific Coast Gypsum Co. v. O.-W. R. R. & N. Co.* 135 (139).

The Commission has considered cost in many freight cases and has never found it necessary to separate the state from the interstate cost. In re *Separation of Operating Expenses*, 676 (681).

For the purpose of determining the reasonableness of an interstate rate, a rate established by a state is no more to be presumed reasonable than one voluntarily established by a carrier. *Trier v. C. St. P. M. & O. Ry. Co.* 707 (708).

STATE LINE.

Cost does not change because a state line is crossed. In re *Separation of Operating Expenses*, 676 (681).

STATE RATES. *See also STATE AND INTERSTATE.*

Minnesota state rates on pulp wood applicable as a part of through transportation to points in Wisconsin and Michigan. *Curry & Whyte Co. v. D. & I. R. R. Co.* 1 (9).

The state made rate from Cape Charles, Va., to Kiptopeke, Va., found reasonable for that proportion of a through rate from Baltimore, Md., to Kiptopeke, Va. *Merchants & Mfrs. Asso. v. C. C. R. R. Co.* 29 (30).

Advance in interstate rates to prevent state commission reducing intrastate rates not justified. *Coal Rates to Dewey, Okla.*, 115 (116).

Neither the Minnesota statute nor the decision of the Supreme Court established the fare of 2 cents per mile as the maximum lawful fare for travel in an interstate journey within Minnesota. *Trier v. C. St. P. M. & O. Ry. Co.* 352 (354).

The Commission can not be controlled in its judgment upon the reasonableness of interstate rates and fares by the independent action of a state legislature or a tribunal not federal. *Id.* 352 (355).

Rate prescribed by State of Minnesota on intrastate traffic not filed with Commission and could not be used as factor in through rate. *Cement Rates from Mason City*, 426 (428).

Rates from Arkansas points of production to Memphis are somewhat higher than the Arkansas mileage scale. *Memphis Freight Bureau v. I. C. R. R. Co.* 471 (474).

Texas Railroad Commission permits the maintenance of higher differentials over common point rates to points on respondent's lines than to points on the other Texas lines, due to greater density of traffic. *Brownsville, Tex., Class and Commodity Rates*, 479 (486).

The intrastate passenger fare in Missouri and Arkansas, established by or under authority of the laws of those states, is 2 cents a mile. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (489).

Defendant is contesting the intrastate fares in Missouri and Arkansas, those in Arkansas having been enjoined by the courts. *Id.* 488 (490.)

Factor of through rate from Chicago to Terra Cotta compared with rate from Milwaukee and other points in Wisconsin to short-haul destinations, and shows that the Wisconsin rates are materially higher for equal distances than rates in Illinois. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

Rate complained of is 1 cent less than would be required under the scale fixed by the Illinois Railroad and Warehouse Commission. *Id.* 492 (493).

SURPLUS—Continued.

The net surplus of all the lines in southeastern territory for the fiscal year ending June 30, 1911, was \$36,694,631. *Id.* 153 (161).

SUSPENSION OF RATES.

It is the custom of the Commission to suspend new rates when it appears that they will create unlawful discrimination. Some tariffs providing for reduced rates to many points have been suspended solely upon the ground of discrimination. *Wickwire Steel Co. v. N. Y. O. & H. R. R. Co.* 415 (420).

Tariff became effective because of the expiration of the period covered by the suspension order. *California-Colorado Lumber Rates*, 461.

Where new rates are filed the Commission, under section 15, is authorized, on its own initiative, to determine the propriety of such new rates and, pending such determination, to suspend the operation of the schedule stating such new rates. *Coal Rates from Oak Hills, Colo.* 505 (508).

SWITCHING.

Grain into and out of warehouse at El Centro, Cal. *Newark Grain Co. v. S. P. Co.* 431 (432).

Delivery involves not only a branch-line service but a switch movement of approximately one mile from station to plant. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (493).

Icing causes additional expense in the nature of extra switching and train delays. *Rates on Bananas from Gulf Ports*, 510 (516).

No unusual difficulty and expense attached to switching at Billings, Mont. *Omaha Grain Exchange v. N. P. Ry. Co.* 572 (577).

Absorption of switching or bridge tolls at St. Louis and East St. Louis by the I. C. R. R. Co. *Rates on Grain and Grain Products*, 16 (17).

Mutual scheme for effecting switching deliveries within the Chicago district is based upon a schedule of reciprocal charges under which the terminal carriers switch for one another at substantially uniform rates or charges which are fixed regardless of the extent or cost of the service performed. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (73).

On coal from Chicago to Proviso, Ill. *Id.* 71 (75).

Absorption of switching charges at Chicago. *Poehlman Bros. Co. v. C. M. & St. P. Ry. Co.* 89 (90).

Inbound and outbound switching charges on live hogs and packing-house products absorbed at Waterloo and Mason City, Iowa. *Hormel & Co. v. C. M. & St. P. Ry. Co.* 98 (99).

Wharfage and switching charges absorbed at Puget Sound points. *Pacific Coast Gypsum Co. v. O.-W.-R. R. & N. Co.* 135 (136).

The Muncie & Western is purely a private facility of the Ball Bros. Glass Mfg. Co., and there is no justification for the allowance to it by the trunk lines of the switching charge. *In re Muncie & Western R. R. Co.*, 434 (435).

Proposal to cancel switching charges received in lieu of division of joint rate, not justified. *Switching at Arcade, N. Y.*, 501 (503).

All of the southern roads make a charge of \$2 from industries on their own rails. No charge is made from the interchange with connections and all connecting-line switching in excess of \$2 per car is absorbed. This has the effect of placing all users of this service upon a parity. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (555).

Charge of \$2 for switching trap cars from industries on tracks of line carrier not found unreasonable. *Id.* 552 (560).

STOCK OWNERSHIP—Continued.

The Union Pacific owns all of the stock of the Oregon Short Line R. R., and the latter owns all but a few shares of the stock of the Oregon-Washington R. R. & N. Co. Lumber Rates from North Pacific Coast Points, 111 (113).

The New York Central & Hudson River R. R. Co., owns about 90 per cent of the stock of the Lake Shore & Michigan Southern and the Michigan Central Railways. Proposed Bond Issue by N. Y. C. & H. R. R. Co. 147.

The Lake Shore & Michigan Southern Ry., owns all the stock of the Toledo & Ohio Central Ry. Co. the Chicago, Indiana & Southern R. R. Co., and the Jamestown, Franklin & Clearfield R. R. Co., and a trifle over 50 per cent of the Pittsburgh & Lake Erie R. R. Co., and the New York, Chicago N. Y. C. & H. R. R. Co., 147 (148).

STOCKS AND BONDS.

Capital stock and bonded debt of the principal companies which the New York Central proposes to consolidate, shown. Proposed Bond Issue by N. Y. C. & H. R. R. Co., 147 (148).

STORAGE. *See* TRANSIT PRIVILEGES.

STORE-DOOR DELIVERY.

History of, at Baltimore since 1867. Merchants & Mfrs. Asso. v. B. & O. R. R. Co. 388 (389); Judd & Detweiler (Inc.) v. B. & O. R. R. Co. 455 (459).

A reduction in rates following cessation of store-door delivery found to be unduly discriminatory against certain cities in favor of Baltimore and Washington would tend to reestablish the same discrimination. Merchants & Mfrs. Asso. v. B. & O. R. R. Co. 388 (393).

Service withdrawn without change in rates. Chamber of Commerce of Washington v. B. & O. R. R. Co. 446 (447); Judd & Detweiler, Inc. v. B. & O. R. R. Co. 455 (456).

First inaugurated in Washington to relieve congested condition of station. *Id.* 446 (448); 455 (456).

STOVES.

When box cars are used for shipments of produce in winter a stove is placed between the bulkheads, and an attendant is necessary. New York Shippers' Protective Asso. v. N. Y. C. & H. R. R. Co. 437 (439).

SUMMIT OF RATES.

On the route from Charleston, S. C., to Savannah, Ga., the rates steadily increase until Green Pond, S. C., is reached and then steadily decline until Savannah is reached. Fourth Section Violations in the Southeast, 153 (166).

SUPPLEMENTAL REPORT. *See also* REHEARING.

Previous findings modified and award of reparation affirmed. Hormel & Co. v. C. M. & St. P. Ry. Co. 98.

Lumber Rates from North Pacific Coast Points, 111.

Subsequent to order prescribing certain rates on export and domestic grain and flour, carriers filed petition for supplemental hearing on the question of modification of the order. Upon agreement by parties certain rates submitted for actual trial which are herein prescribed. Toledo Produce Exchange v. A. A. R. R. Co. 498 (499).

SURPLUS.

Rigid application of long-and-short-haul clause in southeast would wipe out the surplus of 20 lines. Fourth Section Violations in the Southeast, 153 (161).

SURPLUS—Continued.

The net surplus of all the lines in southeastern territory for the fiscal year ending June 30, 1911, was \$38,694,631. *Id.* 153 (161).

SUSPENSION OF RATES.

It is the custom of the Commission to suspend new rates when it appears that they will create unlawful discrimination. Some tariffs providing for reduced rates to many points have been suspended solely upon the ground of discrimination. *Wickwire Steel Co. v. N. Y. C. & H. R. R. R. Co.* 415 (420).

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Proposal to cancel switching charges received in lieu of division of joint rate, not justified. *Switching at Arcade, N. Y.*, 501 (503).

All of the southern roads make a charge of \$2 from industries on their own rails. No charge is made from the interchange with connections and all connecting-line switching in excess of \$2 per car is absorbed. This has the effect of placing all users of this service upon a parity. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (555).

Charge of \$2 for switching trap cars from industries on tracks of line carrier not found unreasonable. *Id.* 552 (560).

SWITCHING—Continued.

Cancellation of absorption of switching charges at City Block and Jackson's Wharf stations on what is known as the "block route" in Baltimore, and elimination of industries located on extension of route on Thames street found unreasonable. Switching at Baltimore, Md., 581 (584).

We find no reason to hold with the Soo line that before the Grand Trunk may be allowed to receive its reciprocal charge upon this particular commodity, "it must show us the figures." People's Fuel & Supply Co. v. G. T. W. Ry. Co. 657 (661).

Out of the rate to Chicago, the Soo line should allow, and the Grand Trunk should receive, for switching cars of ice from Elsdon to Forty-ninth street and Center avenue, 1 cent per 100 pounds, minimum 60,000 pounds, minimum charge \$6 per car. Id. 657 (662).

The act imposes no requirement upon the Commission that in determining a reasonable charge for the interchange movement, it must in some way or other take into its calculations the factor that the charge may be absorbed by a competitor road. Seattle Chamber of Commerce v. G. N. Ry. Co. 683 (690).

In the absence of the condition of reciprocity the attempt, of course, is to make the charge an adequate one for the service furnished. Id. 683 (692).

The rate on grain from East St. Louis to Evansville, Ind., in addition to the elevation allowance of one-fourth cent per bushel, bears a switching absorption at East St. Louis of \$3 per car and at Evansville of \$2 per car. Elevation Allowances at St. Louis and East St. Louis, 696 (698).

SYSTEM.

Contention that higher charge should be distributed over a greater portion of its line and not limited to that part from Seligman, Mo., to Beaver. Ark. Railroad Commission of Arkansas v. M. & N. A. R. R. Co. 488 (491).

TERMINAL FACILITIES.

Discontinuance of store-door delivery has made it necessary for carriers to enlarge. Merchants & Mfrs. Asso. v. B. & O. R. R. Co. 388 (390).

It has been frequently recognized by the courts and by this Commission that the terminal facilities of a carrier are of special value to it, and this fact may reasonably be reflected in the amount of compensation derived from the use of those terminals by connecting lines. Switching at Arcade, N. Y., 501 (503).

It is noted that the belt line, owned jointly by the carriers serving Norfolk mouth, is in reality but an extension of the terminals of each that the switching charge paid it is but their respective contribution to the maintenance of their joint property. Richmond Chamber of Commerce v. S. A. L. Ry. 552 (556).

One desires to give its shippers the benefit of deliveries on the other carriers in Chicago, it must expect to pay for the use of facilities. People's Fuel & Supply Co. v. G. T. W. Ry. Co. 657

UNLAWFUL.

That carriers having blanketed the entire state of Washington in the Cascade Mountains and applied terminal rates thereto, while leaving them to water-locked points constituted unjust discrimination, is held. Seattle Shingle Co. v. C. M. & St. P. Ry. Co. 364 (365, 369).

TERMINALS.

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The plain, unmistakable requirement of the law is that this through traffic shall be subject to just, reasonable, and nondiscriminatory through rates. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (82).

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TIMBER HOLDINGS

The Southern Pacific Co., and the A. T. & S. F. Ry. Co., have enormous timber holdings in the west. *Fridham Co. v. S. P. Co.* 117 (120).

TON PER MILE. See also REVENUE.

Table showing revenue per ton-mile on road stone. Rates on Crushed Stone, 22 (26).

Ton per mile rates on fertilizer from Baltimore to Kiptopeke, Va. Merchants & Mfrs. Assn. v. C. C. R. R. Co. 29 (31).

Coal from Previso to Elmhurst, Ill. *Hammerschmidt & Franzen Co. v. C. & N. W. Ry. Co.* 71 (77).

Upon a short haul the per-ton-mile test has, as a rule, very little evidentiary value. *Id.* 71 (78).

On wheat and grain products from points in Oklahoma, Kansas, Iowa, Missouri, and Nebraska to Memphis. Wheat Rates from Oklahoma, 93 (96).

On wheat and grain products from Oklahoma points to St. Louis. *Id.* 93 (96).

On petroleum road oil and petroleum tailings from Okmulgee and Vinita, Okla., to St. Louis, Mo., and East St. Louis, Ill. *American Refining Co. v. St. L. & S. F. R. R. Co.* 103 (104).

All-rail and water-and-rail from New York to south Atlantic ports, shown. Fourth Section Violations in the Southeast, 153 (175).

Freight paying less than 3 mills per ton-mile is looked upon by carriers as perhaps paying less than the actual out-of-pocket costs. *Id.* 153 (176).

On peanuts from points in Louisiana to Oklahoma City, St. Louis, and Chicago. Peanut Rates to Oklahoma City, Okla., 346 (348).

Grain from Milwaukee to the east. Break-Bulk Rates on Grain, 357 (358).

Buffalo to points in Pittsburgh group. Grain Rates to Pittsburgh, 382 (383).

Decrease in ton per mile rates with increased distance found to vary properly. Malt Rates to Texas Points, 385 (386).

Considering greater distances to destinations in Michigan, Indiana, and Illinois from eastern mills than from the Soo, rates from the east are low as compared with those from the Soo. This is also indicated by the comparatively low revenue per ton-mile yield. *Lake Superior Paper Co., Ltd. v. D. S. S. & A. Ry. Co.* 403 (408).

Per ton-mile yield between points involved is less than under rates established by Commission in other parts of same territory. *California-Colo- rado Lumber Rates*, 461 (463).

Ordinarily rates for longer distances yield a lower per-ton-mile revenue. *Brownsville, Tex., Class and Commodity Rates*, 479 (485).

Coal from Indiana coal fields to Terra Cotta, Ill. *American Coal & Supply Co. v. C. & N. W. Ry. Co.* 492 (494).

On phosphate rock from Mount Pleasant and Centerville, Tenn., to Shreveport, La. *Meridian Fertilizer Factory v. L. & N. R. R. Co.* 494 (495).

Revenue of 7.3 mills for mean distance of 435.5 miles not found unreasonably high as compared with revenue of 6.52 mills for an average distance of 792 miles. *Lumber Rates to Knoxville, Tenn.*, 524 (525-526).

Ton per mile revenue on lumber from points in Alabama to Knoxville, Tenn., shown. *Id.* 524 (525).

Rates per ton-mile on fresh meat and packing-house products from points in Iowa and Minnesota to Chicago, shown. *Decker & Sons v. C. M. & St. P. Ry. Co.* 547 (548).

TON PER MILE—Continued.

Rate per ton-mile on packing-house products is comparatively so low as to give color to defendant's contention that an increase of the rate would more fairly eliminate the element of discrimination than a reduction of the rate on fresh meat. *Id.* 547 (550).

Rates per ton-mile and per car-mile on fresh meat and packing-house products from Marshalltown and Mason City, Iowa to Chicago compared. *Id.* 547 (551).

Iron Ore. Ontario Iron Ore Co. *v.* N. Y. C. & H. R. R. Co. 566 (568).

A per-ton-mile yield of more than 7 mills appears to be high, considering the low-grade traffic involved. *Id.* 566 (570).

Average rate per net ton per mile on pig iron from Birmingham district to Ohio River and points in c. f. a. territory compared with other pig-iron producing districts. Sloss-Sheffield Steel & Iron Co. *v.* L. & N. R. R. Co. 597 (602).

Ton-mile rates on pig iron from Virginia points to Cincinnati, Chicago, and St. Louis, are much lower than ton-mile rates from same points to points in New England and middle states. Low Moor Iron Co. of Virginia *v.* C. & O. Ry. Co. 615 (620).

Coal from St. Charles and Appalachia mines to points north of the Ohio River. Coal Rates from Virginia Mines, 635 (645).

Minneapolis to points on transcontinental line of C. M. & St. P. Ry. Co. Minneapolis Civic & Commerce Asso. *v.* C. M. & St. P. Ry. Co. 663 (673).

On grain from East St. Louis to Evansville. Elevation Allowances at St. Louis and East St. Louis, 696 (698).

TONNAGE. See also VOLUME OF TRAFFIC.

More than 7 per cent of the tonnage is live stock, and approximately 5 per cent fruits and vegetables, for which empty cars have to be hauled almost to the southern extremity of the line. Brownsville, Tex., Class and Commodity Rates, 479 (484).

TRACKAGE.

The Muncie & Western has only 2.78 miles of track, of which one mile is called main track, the remaining 1.78 consisting of yard tracks and sidings. *In re Muncie & Western R. R. Co.*, 434 (435).

TRAIN LOADS.

Train load of bananas will average from 30 to 35 cars. Rates on Bananas from Gulf Ports, 510 (515).

TRAMP STEAMERS.

Large and important quantities of low-grade commodities move into and out of the south Atlantic ports by tramp steamers. Fourth Section Violations in the Southeast, 153 (170).

TRANSFERS.

At Norfolk on traffic from east to Washington and Richmond. Chamber of Commerce of Washington *v.* B. & O. R. R. Co. 446 (452).

To relieve congestion at Duane street and facilitate the handling not only of onions, but of all other traffic, the Erie has established the onion market at its Pavonia avenue station in Jersey City. Onion Rates to New York, N. Y., 528 (529).

Reciprocal transfers between the Washington-Virginia Ry. Co., and the Washington Railway & Electric Co., discussed. Virginia Highlands Ry. Co. *v.* W.-V. Ry. Co. 593 (596).

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WATER COMPETITION. *See* COMPETITION.

WATER-LOCKED POINTS.

Defined. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364.

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While the Rio Grande River affords no feasible water route to Brownsville, a water-and-rail route was formerly operated via Point Isabel, Tex. Brownsville, Tex., Class and Commodity Rates, 479 (482).

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Between New York City and south Atlantic ports. Fourth Section Violations in the Southeast, 153 (169).

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Between New Orleans and Charleston, Savannah, Brunswick, Jacksonville, and Tampa. *Id.* 153 (193).

Rates and facilities of the rail lines have eventually attracted nearly all the long-distance traffic between Ohio River, upper Mississippi River, and Missouri River points and New Orleans. *Id.* 153 (230).

On Savannah River between Savannah and Augusta, Ga. *Id.* 153 (259).

On Ocmulgee River between Darien and Macon, Ga. *Id.* 153 (263).

History of boat line on Chattahoochee River to Columbus, Ga. *Id.* 153 (266).

On the Alabama River to Montgomery, Ala. *Id.* 153 (269).

There is no regular all-water service between New Orleans and Macon, Ga. *Id.* 153 (278).

WEIGHT. *See also* MINIMUM WEIGHT.

The average weight for brooms and broom corn is 13,242 and 23,776 pounds respectively. *Wichita Business Asso. v. A. T. & S. F. Ry. Co.* 45 (49).

WESTERN CLASSIFICATION.

Ratings on articles in fiber board, pulpboard, and double-faced corrugated strawboard boxes. *Pridham Co. v. S. P. Co.* 117 (125).

WHARFAGE.

Loading and unloading on public and private docks at New Orleans, discussed. *Anderson-Tully Co. v. M. L. & T. R. R. & S. S. Co.* 140 (144).

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Cancellation of absorption of switching charges at City Block and Jackson's Wharf stations on what is known as the "block route" in Baltimore, and elimination of industries located on extension of route on Thames street found unreasonable. Switching at Baltimore, Md., 581 (584).

We find no reason to hold with the Soo line that before the Grand Trunk may be allowed to receive its reciprocal charge upon this particular commodity, "it must show us the figures." *People's Fuel & Supply Co. v. G. T. W. Ry. Co.* 657 (661).

Out of the rate to Chicago, the Soo line should allow, and the Grand Trunk should receive, for switching cars of ice from Elsdon to Forty-ninth street and Center avenue, 1 cent per 100 pounds, minimum 60,000 pounds, minimum charge \$6 per car. *Id.* 657 (662).

The act imposes no requirement upon the Commission that in determining a reasonable charge for the interchange movement, it must in some way or other take into its calculations the factor that the charge may be absorbed by a competitor road. *Seattle Chamber of Commerce v. G. N. Ry. Co.* 683 (690).

In the absence of the condition of reciprocity the attempt, of course, is to make the charge an adequate one for the service furnished. *Id.* 683 (692).

The rate on grain from East St. Louis to Evansville, Ind., in addition to the elevation allowance of one-fourth cent per bushel, bears a switching absorption at East St. Louis of \$3 per car and at Evansville of \$2 per car. *Elevation Allowances at St. Louis and East St. Louis*, 696 (698).

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Contention that higher charge should be distributed over a greater portion of its line and not limited to that part from Seligman, Mo., to Beaver, Ark. *Railroad Commission of Arkansas v. M. & N. A. R. R. Co.* 488 (491).

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Discontinuance of store-door delivery has made it necessary for carriers to enlarge. *Merchants & Mfrs. Asso. v. B. & O. R. R. Co.* 388 (390). It has been frequently recognized by the courts and by this Commission that the terminal facilities of a carrier are of special value to it, and this fact may reasonably be reflected in the amount of compensation derived from the use of those terminals by connecting lines. *Switching at Arcade, N. Y.*, 501 (503).

It is urged that the belt line, owned jointly by the carriers serving Norfolk and Portsmouth, is in reality but an extension of the terminals of each road and that the switching charge paid it is but their respective contributions to the maintenance of their joint property. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (556).

If the Soo line desires to give its shippers the benefit of deliveries on the tracks of other carriers in Chicago, it must expect to pay for the use of such facilities. *People's Fuel & Supply Co. v. G. T. W. Ry. Co.* 657 (661).

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It has been frequently recognized by the courts and by this Commission that the terminal facilities of a carrier are of special value to it, and this fact may reasonably be reflected in the amount of compensation derived from the use of those terminals by connecting lines. *Switching at Arcade, N. Y.*, 501 (503).

It is urged that the belt line, owned jointly by the carriers serving Norfolk and Portsmouth, is in reality but an extension of the terminals of each road and that the switching charge paid it is but their respective contributions to the maintenance of their joint property. *Richmond Chamber of Commerce v. S. A. L. Ry.* 552 (556).

If the Soo line desires to give its shippers the benefit of deliveries on the tracks of other carriers in Chicago, it must expect to pay for the use of such facilities. *People's Fuel & Supply Co. v. G. T. W. Ry. Co.* 657 (661).

TERMINAL RATES.

Contention that carriers having blanketed the entire state of Washington west of the Cascade Mountains and applied terminal rates thereto, while denying them to water-locked points constituted unjust discrimination, not sustained. *Seattle Shingle Co. v. C. M. & St. P. Ry. Co.* 364 (367).